

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

**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 3113736 CANADA LTD. 4362063 CANADA  
LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

(the "Applicants")

**MOTION RECORD  
VOLUME I**

DATE: September 14, 2018

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# Index

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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ARRANGEMENT OF 3113736 CANADA LTD. 4362063 CANADA  
LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

(the "**Applicants**")

**TABLE OF CONTENTS**

1. Notice of Motion dated September 14, 2018
2. Affidavit of Jacques Vincent sworn September 13, 2018

**EXHIBITS**

- A Asset Purchase Agreement #1
- B Asset Purchase Agreement #2
- C Final Asset Purchase Agreement dated March 8, 2012
- D Sale Approval and Vesting Order dated March 16, 2012
- E Letter from Jacques Vincent to David Ullman dated June 22, 2018
- F Notice of Assignment of Claims sent to Fine Kaplan and Black R.P.C. dated June 22, 2018
- G Copy of cheque dated March 21, 2018 for (US) \$3,741,639.62 payable to the Applicant [now 4362063 Canada Ltd.]

- H Motion Record of the Applicants which was returnable before Mr. Justice Wilton-Siegel on May 29, 2018 containing a draft Order
- 3. Order of the Honourable Justice Wilton-Siegel dated May 29, 2018
- 4. Seventh Report of the Monitor (without exhibits)

**Tab 1**

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

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

(the "**Applicants**")

**NOTICE OF MOTION**

**DOMFOAM INC.** (formerly 4037057 Canada Inc.) ("Domfoam"), will make a motion to the Honourable Mr. Justice Wilton-Siegel, or alternatively to a Judge presiding over the commercial list, on a date and time to be scheduled by the Court at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** This motion is to be heard orally.

**THE MOTION IS FOR AN ORDER:**

1. setting aside the order of Justice Wilton-Siegel dated May 29, 2018;
2. directing the Applicants, and specifically 4362063 Canada Ltd. ("4362063"), to pay the proceeds it recovered from the US Urethane Claim (defined in the supporting



affidavit) derived from the US Antitrust Litigation in the amount of approximately (U.S.) \$3,600,000 to Domfoam;

3. declaring that all further proceeds to be received by 4362063 from the US Antitrust Litigation are to be paid to Domfoam as and when received by the Applicants or the Monitor herein;

4. for costs of this motion; and

5. such further and other order as may seem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. The moving party Domfoam is the purchaser of the assets of 4362063 under an agreement of purchase and sale ("APS"), which APS was approved by this Honourable Court pursuant to a Sale Approval and Vesting Order of the Honourable Mr. Justice Brown dated March 16, 2012;

2. Domfoam purchased all of the "assets, undertakings, and properties of [4362063] of every nature and kind whatsoever ..." with the exception of specific Excluded Assets defined in the APS at Schedule 2.2;

3. The Urethane Antitrust Litigation claim against Dow Chemical (the "Dow Action") in the US was not an Excluded Asset under the APS;

- 4. 4362063 has received at least US \$3,741,639.62 from the Dow Action;
  
- 5. The Applicants proposed to Mr. Justice Wilton-Siegel that these funds be distributed by the Monitor to creditors with proven claims against the Applicants, which creditors include, *inter alia*, the Applicants' President, the affiant Tony Vallecoccia ("Vallecoccia") whose affidavit was sworn May 22, 2018, or parties related to him;
  
- 6. According to the Monitor's Seventh Report dated July 12, 2013, Vallecoccia swore an Affidavit wrongfully stating that the Domfoam US Urethane Claim was "specifically excluded from the [Domfoam International Inc. assets] purchased by Domfoam";
  
- 7. Domfoam was originally served with motions in this proceeding until 2015. Thereafter, Domfoam was not given notice of any motions including the May 29, 2018 motion;
  
- 8. The motion record returnable before the Honourable Mr. Justice Wilton-Siegel on May 29, 2018 contained a draft order at Tab 3 which was fundamentally different than the order sought and granted by the court in that the draft did not propose any distribution of funds to creditors of the Applicants;
  
- 9. Once it learned of the making of the order of May 29, 2018, Domfoam put the Applicants and the Monitor on notice requiring that funds derived from the Dow Action be paid to Domfoam as the owner of that asset;

10. The Applicants and the Monitor have declined or neglected to cause the funds to be paid to Domfoam, or to take steps to set aside the order of Justice Wilton-Siegel;
11. Rules 37.14(1), (4) and 3.02(1) of the *Rules of Civil Procedure*;
12. Paragraphs 40 and 46 of the initial order staying proceedings herein dated January 12, 2012; and
13. such further and other grounds as counsel may advise and this Honourable Court permits.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. the Order of the Honourable Justice Wilton-Siegel dated May 29, 2018;
2. the Applicants' Motion Record before Wilton-Siegel J. on May 29, 2018;
3. the affidavit of Jacques Vincent, of the City of Montreal;
4. excerpts of Reports of the Monitor including the Monitor's Seventh Report; and
5. such further and other material as counsel may advise and this Honourable Court permit.

DATE: September 14, 2018

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TO: THE SERVICE LIST

Tab 2

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

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**")

**AFFIDAVIT OF JACQUES VINCENT**  
(Sworn September 13, 2018)

I, JACQUES VINCENT, of the City of Westmount, in the Province of Quebec,  
Lawyer, MAKE OATH AND SAY AS FOLLOWS:

1. I am the lawyer who represented 8032858 Canada Inc. (now known as Domfoam Inc.) ("Domfoam"), the purchaser of the assets of the Applicant Domfoam International Inc. (now known as 4362063 Canada Limited) ("4362063").
  
2. Domfoam purchased "all assets, undertakings and properties of the Vendor of every nature and kind whatsoever,..." except for specific Excluded Assets defined in the Asset Purchase Agreement which was approved by this Honourable Court on March 16, 2012.

3. Since the benefit of the class-action legal proceedings issued in the United States against The Dow Chemical Company ("Dow") was not one of the Excluded Assets, therefore the benefit of the proceeds from such legal proceedings (the "Dow Action") was purchased by Domfoam pursuant to the Vesting Order dated March 16, 2012.

4. The Dow Action has also been referred to from time to time as the Urethane Antitrust Litigation.

5. The Dow Action has recently generated gross proceeds of approximately (U.S.) \$3.74 million which has been paid to 4362063.

6. Out of these proceeds, 4362063 paid an American agent, LEX Group LLC, its fee of 25% of the gross proceeds.

7. 4362063 announced that it intends to distribute to its creditors the remaining amount from such proceeds of approximately CAD\$4.8 million.

8. By an order dated May 29, 2018, the Honourable Mr. Justice Wilton-Siegel of this court authorized the distribution of the Dow Action proceeds to creditors of 4362063. He did so

(a) on a motion service which was not effected on my firm, nor my client;

(b) in reliance upon, *inter alia*, evidence of the President of the Applicant who swore that the Dow Action proceeds were "specifically excluded from the assets purchased by [Domfoam] from 4362063; and

- (c) in circumstances where the Applicants' Motion Record sought "an Order substantially in the form contained at Tab 3..." which Order did not seek a distribution of the Dow Action proceeds.

### Background

9. Domfoam is a wholly owned subsidiary of S.P. Holdings Canada Inc. (the "Landlord").

10. The Landlord and a related company were the landlords of the Applicant 4362063 which had leased two very substantial plants comprising approximately 336,800 square feet from which it operated in the City of Montreal.

11. During the fall of 2011, my services were retained by 4037057 Canada Inc. ("4037057"), a related company to the Landlord, to prepare and present an asset purchase agreement to 4362063.

12. On December 22, 2011, an asset purchase agreement was presented by 4037057 to 4362063 at such date (the "APA #1") for acceptance by December 29, 2011. Attached hereto and marked as **Exhibit "A"** is a true copy of the APA #1.

13. The discussions on such APA #1 ended on January 9, 2012 since no agreement had been reached between the parties.



14. From my review of the material that was assembled and served at the outset of this CCAA proceeding, I learned that the Applicants pled guilty to offences under the *Competition Act* arising from collusion with other manufacturers of foam and related products within Canada to lessen competition in the sale and supply of such products and by conspiring with other manufacturers to fix or control the price for these products.

15. The Competition Tribunal imposed fines upon the Applicants totalling in excess of \$12,000,000.

16. As a result of, *inter alia*, those substantial fines, they became insolvent and sought protection under the CCAA.

17. By an order of the Honourable Justice Newbould dated January 12, 2012, an initial stay order was granted.

18. Further to the Initial Order being rendered, discussions were reinstated between 4037057 and 4362063 to purchase the assets of 4362063, this time within the CCAA proceedings.

19. A second Asset Purchase Agreement dated February 22, 2012 (the "APA #2") was presented that day to Mrs. Catherine Hristow of Deloitte & Touche Inc, acting as Monitor to 4362063. Attached hereto and marked as **Exhibit "B"** is a true copy of APA #2.

20. Negotiations were held between 4362063 and 4037057 during the following weeks.

21. On or about March 8, 2012 an asset purchase agreement (the "Final APA") was entered into by 4037057 with the Applicant 4362063 pursuant to which the purchaser purchased "All assets, undertakings and properties of [4362063] of every nature and kind whatsoever ..." with the exception of certain Excluded Assets which are defined in Schedule 2.2 of the Final APA. Attached hereto and marked as **Exhibit "C"** is a true copy of the Final APA.

22. To be clear, my client's instructions throughout the negotiations were to purchase all of the assets of 4362063 with the exception only of the assets specifically excluded in Schedule 2.2 of the Final APA and defined therein as Excluded Assets.

23. The definition of "Excluded Assets" (Schedule 2.2 of the Final APA) was the same as in Schedule 2.2 to the APA #2 and as in Schedule 2.2 to the APA #1.

24. The purchase price was approximately \$3.7 million.

25. The Final APA contained the following provisions:

#### 7.9 Entire Agreement

This Agreement and the attached Schedules constitute the entire agreement between the parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the parties.

[...]

#### 7.11 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein and each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Quebec. Notwithstanding the foregoing, the parties acknowledge that the Approval and Vesting Order will be sought before the Ontario Superior Court in Toronto and that any disputes related thereto as it relates to court approval or the

current *Companies' Creditors Arrangement Act* proceedings of the Vendor shall be determined by the said Ontario Court. The parties acknowledge that any disputes related to the interpretation of this Agreement (including but not limited to its interpretation or its execution) shall be sought before the Quebec Superior Court in Montreal.

26. The Final APA was later assigned by 4037057 to Domfoam, a related company.

27. The Final APA was approved pursuant to a Sale Approval and Vesting Order by the Honourable Mr. Justice Brown of this Court dated March 16, 2012. Attached hereto and marked as **Exhibit "D"** is a true copy of the Sale Approval and Vesting Order.

#### U.S. Antitrust Litigation

28. There were numerous class action lawsuits that had been commenced against the Applicants in Canada as a result of the conspiracy to which the Applicants pled guilty, hence the insolvency and the CCAA proceedings that followed.

29. About the same time, Urethane Antitrust lawsuits were instituted in the United States in which the Applicants were claimants concerning a price fixing claim for a product known as polyether polyol. Unbeknownst to myself and to Domfoam at the time of the negotiation of the above mentioned sale, one of these lawsuits was the Dow Action.

30. Prior to the execution of the APA #1, a settlement was reached in one of the Urethane Antitrust lawsuits. This settlement involved, inter alia, 4362063 as one of the claimants and BASF Corporation ("BASF") as one of the defendants. Under this settlement

agreement, it was agreed that BASF would make payments (the “BASF Receivables”) to, *inter alia*, 4362063 as a claimant.

31. Although my client engaged in some negotiations with respect to the possible purchase of the BASF Receivables from 4362063 (see Section 2.9(C) of the APA #1) which had been brought to its attention, 4362063 decided ultimately not to sell the BASF Receivables because, according to 4362063’s lawyers, 4362063 would use the expected proceeds to negotiate a settlement out of court of the Canadian class actions instituted against 4362063. Accordingly, Section 2.9(C) of the APA #2 referencing the BASF Receivables was then marked “*Withdrawn*”, as was Section 2.9(C) of the Final APA.

32. The Urethane Antitrust lawsuit against BASF was the only lawsuit from the Urethane Antitrust lawsuits that has been discussed prior to the execution of the APA #1 and, as mentioned above, was specifically “*withdrawn*” from the APA #2 and the Final APA.

33. The Dow Action was never discussed.

34. The Dow Action was not, and has never been, an “Excluded Asset”, it being understood that the drafting of the APA was purposely made broad to reach and encompass all disclosed and undisclosed assets of any nature.

35. At the end of May 2018, I was advised by Terry Pomerantz (“Pomerantz”), President of Domfoam, that he was informed by John Howard, an employee of Domfoam who heard through the industry’s grapevine that a) a lawsuit involving 4362063 as one of the claimants against Dow had been instituted some time prior to CCAA proceedings, b) a

judgment had been rendered against Dow in the United States which was subsequently settled out of Court , and c) that a payment was to be made by Dow to the class action claimants, which may include 4362063.

36. I received instructions to look into these facts immediately.

37. After communication between my firm and Don Perelman, a lawyer at the law firm of Fine Kaplan and Black R.P.C., in Philadelphia, Pennsylvania, who I understood were counsel to the plaintiffs in the US class action proceedings, my firm obtained verbal confirmation from Mr. Perelman that a payment had been made to 4362063 in March 2018 for an amount of approximately US\$3,000,000.

38. Consequently, I wrote a letter to David Ullmann, counsel to the Applicants, on June 22, 2018 demanding payment of the monies generated as a result of the Dow Action since such monies were part of the purchased assets. Attached hereto and marked as **Exhibit "E"** is a true copy of my letter of June 22, 2018 to David Ullmann.

39. On the same day, I sent to the law firm of Fine Kaplan and Black R.P.C., in Philadelphia, Pennsylvania, who I understood were counsel to the plaintiffs in the US class action proceeding, an assignment of claims putting that firm on notice of Domfoam's claim. Attached hereto and marked as **Exhibit "F"** is the assignment of claims to Fine Kaplan and Black R.P.C. dated June 22, 2018. Copies of such assignment of claims were also subsequently sent to Mrs. Stephanie Amin-Giwner and Mrs. Michelle Smith, from GCG who I understand are acting as administrators of the Urethane Antitrust Litigation.

40. After putting Mr. Ullmann on notice, I searched online and read reports in this matter that had been filed by the Monitor Deloitte & Touche Inc. (now known as Deloitte Restructuring Inc.).

41. In reviewing such Monitor's reports, I noted that in the Seventh Report, dated July 12, 2013, at paragraph 34, the Monitor refers to an Affidavit dated July 11, 2013 of Tony Vallecoccia, the President of the Applicants, who swore that the [4362063] US Urethane Claim was "***specifically excluded from the [4362063] assets purchased by [Domfoam]***". That is not true.

42. The Seventh Report referred to paragraph 44 of Tony Vallecoccia's affidavit in which he testified as follows:

*44. In the case of the transaction for the sale of the Domfoam business Assets, the Polyol claims were specifically excluded from the assets being acquired by the purchaser of Domfoam. [...]*

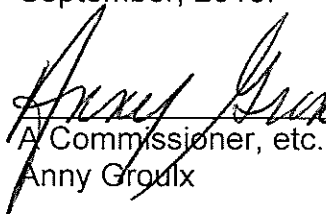
43. I also noted that in the Seventh Report, at paragraph 34, the Monitor says that insofar as it is aware, Domfoam has not asserted any claim to the Dow Action. That report relies on an affidavit of Mr. Vallecoccia, but the Monitor did not comment on the accuracy of the allegation made to the effect that my client did not purchase the cause of action against Dow and therefore would not be entitled to receive the proceeds from the Dow Action.

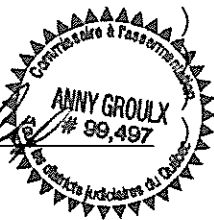
44. Attached hereto and marked as **Exhibit "G"** is a copy of a cheque dated March 21, 2018 payable to the Applicant Domfoam International Inc. [now 4362063 Canada Limited] in the amount of U.S. \$3,741,639.62 representing one instalment of the proceeds from the Dow Action.

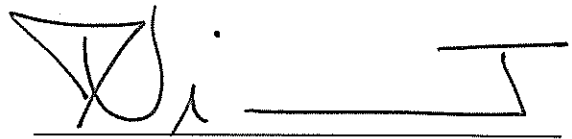
45. That cheque and the proceeds of the Dow Action are the property of my client, Domfoam, under the final APA (**Exhibit "C"**).

46. Once I obtained a copy of the Motion Record that was returned before Justice Wilton-Siegel on May 29, 2018, I noted that the Notice of Motion seeks "an Order substantially in the form contained at Tab 3 ..." which Order did not seek a distribution of the Dow Action proceeds. Attached hereto as **Exhibit "H"** is the draft Order.

SWORN BEFORE ME at the )  
City of Westmount, in the Province )  
of Quebec, this 13<sup>th</sup> day of )  
September, 2018. )

  
A Commissioner, etc.  
Anny Groulx



  
\_\_\_\_\_

**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.**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF JACQUES VINCENT**  
(Sworn September 13, 2018)

**FRED TAYAR & ASSOCIATES**  
Professional Corporation  
Barristers and Solicitors  
65 Queen Street W, Suite 1200  
Toronto, ON M5H 2M5

**Fred Tayar (23909N)**  
Tel.: (416) 363-1800  
Fax: (416) 363-3356

Lawyers for Domfoam Inc.



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  
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**ONTARIO  
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PROCEEDING COMMENCED AT  
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**NOTICE OF MOTION**

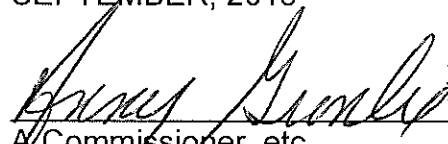
**FRED TAYAR & ASSOCIATES**  
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Toronto, ON M5H 2M5

**Fred Tayar (23909N)**  
Tel: (416) 363-1800  
Fax: (416) 363-3356

Lawyers for Domfoam Inc.

Tab A

THIS IS EXHIBIT "A" TO THE  
AFFIDAVIT OF JACQUES VINCENT  
SWORN THIS 13<sup>th</sup> DAY OF  
SEPTEMBER, 2018

  
\_\_\_\_\_  
A/ Commissioner, etc.



Anny Groulx

---

**ASSET PURCHASE AGREEMENT**

Made as of the 22<sup>nd</sup> day of December, 2011

Between

**4037057 CANADA INC.**

- and -

**DOMFOAM INTERNATIONAL INC.**

---

## ASSET PURCHASE AGREEMENT

This Agreement is made as of the 22<sup>nd</sup> day of December, 2011,

### BETWEEN:

**4037057 CANADA INC.**, a corporation existing under the laws of Canada

(hereinafter referred to as the "**Purchaser**")

- and -

**DOMFOAM INTERNATIONAL INC.**, a corporation existing under the laws of Canada

(hereinafter referred to as the "**Vendor**")

### RECITALS

- A. The Vendor carries on the Business and is willing to sell the Purchased Assets to the Purchaser;
- B. The Purchaser has been informed by the Vendor of the following situations:
  - i. that the Vendor and its Subsidiaries are being sued in Canada and in the United States of America, both through class actions or governmental entity (the Competition Bureau in Canada and the Department of Justice, Anti-Trust Division, in the United States of America);
  - ii. the Vendor's financial institution has recently withdrawn its credit facilities previously granted to the Vendor;
  - iii. the cash flow situation of the Vendor should not allow the Vendor to operate in the ordinary course of business for lack of cash flow sometime during the month of January 2012;
- C. It is the intention of the Vendor to commence proceedings in the Quebec Superior Court of Justice of the judicial district of Montreal (the "**CCA Court**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCA**") pursuant to which, among other things, Deloitte would be appointed as the monitor for monitories and reporting, among other responsibilities, to the CCA Court on the cash flow forecasts, business and financial affairs of the Vendor (the "**Monitor**") ; and
- D. The Vendor has agreed to sell and transfer and assign to the Purchaser and, subject to the issuance of both the Approval Order and the Vesting Order, the Purchaser has agreed to purchase from the Vendor, subject to the conditions contained herein, all of the Vendor's interest in and to the Purchased Assets;

**NOW THEREFORE** this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party to the other, the parties agree as follows:

## Section 1 – INTERPRETATION

### 1.1 Definitions

In this Agreement:

- (a) "**Agreement**" means this asset purchase agreement;
- (b) "**Allocation of Purchase Price**" has the meaning set out in Section 2.12;
- (c) "**Approval Order**" means an Order of the CCAA Court approving the Vendor entering into this Agreement and the transactions contemplated hereunder and providing for the issuance of the Vesting Order in form and content satisfactory to both the Vendor and the Purchaser, as confirmed in writing;
  - (c.1) "**Assigned Contracts**" has the meaning set out in Section 2.3;
- (d) "**Assumed Employees**" has the meaning set out in Section 2.5;
- (e) "**Assumed Obligations**" has the meaning set out in Section 2.6;
  - (e.1) "**BASF Receivables**" has the meaning set out in Section 2.9;
- (f) "**Books and Records**" means all books and records and the data contained therein, whether in paper or electronic form, in the possession of the Vendor relating to the Purchased Assets or the Assumed Obligations (other than accounting records and books and records required by applicable law to be retained by the Vendor, copies of which shall be provided to the Purchaser at the Vendor's cost), including all policies, plans, audit reports, all personnel, employment, payroll and training records relating to the Assumed Employees, customer lists, Customer Contracts, sales records, price lists, and all other related files, records and information in the possession of the Vendor relating to the Purchased Assets or the Assumed Obligations, but, for certainty, not including (i) such books, records and data relating to any of the Excluded Assets or the Excluded Obligations or (ii) the corporate minute books of the Vendor or any of its Subsidiaries;
- (g) "**Business**" means collectively the business, affairs and operations of the Vendor, which for greater certainty, excludes the Subsidiaries businesses; the Vendor is in the business of manufacturing and selling polyurethane foam in Canada and, to a minimum extent, in the United States of America, for the bedding, carpet underlay, furniture and industrial industries;
- (h) "**Business Day**" means a day on which banks are open for business in the City of Montréal but does not include a Saturday, Sunday or statutory holiday in the Province of Quebec;
- (i) "**CCAA**" has the meaning set out in the recitals hereof;
- (j) "**CCAA Court**" has the meaning set out in the recitals hereof;

- (k) "**Closing**" means the successful completion of the Transaction;
- (l) "**Closing Date**" means the Business Day following the date on which the Vesting Order is granted;
- (m) "**Contracts**" means the agreements as described in Schedule 1.1(m), as the same may be modified by the Purchaser from time to time pursuant to Section 2.8;
- (n) "**Customer Contracts**" means the Vendor's contracts, agreements, instruments and other legally binding commitments or arrangements, written or oral, concerning the provision of services by the Vendor to its customers including but not limited to those contracts listed in Schedule 1.1(n) attached hereto;
- (o) "**Deposit**" has the meaning set out in Section 2.11(a);
- (p) "**DIP Financing**" has the meaning set out in Section 5.1(n);
- (q) "**Email**" has the meaning set out in Section 7.4;
- (r) "**Equipment**" means all of the Vendor's equipment (including the Vendor's computer and computer accessories), office equipment, furniture, fixtures, furnishings and supplies of all kinds in the possession or control of the Vendor on the Closing Date, whether owned by the Vendor or in which the Vendor has an interest pursuant to an equipment operating lease or a security agreement;
- (r.1) "**Equipment Operating Leases**" means all operating leases of equipment or other personal property used by the Vendor as a lessee or under which the Vendor has rights as lessee and listed on Schedule 1.1(r.1) attached hereto
- (s) "**ETA**" means the *Excise Tax Act* (Canada);
- (t) "**Excluded Assets**" has the meaning set out in Section 2.2;
- (u) "**Excluded Employees**" has the meaning set out in Section 2.5;
- (v) "**Excluded Obligations**" has the meaning set out in Section 2.7;
- (w) "**Initial Order**" means an Order of the CCAA Court to be obtained no later than January 13, 2012 at 5:00 p.m. in respect of pursuing the obtention of the Vesting Order;
- (x) "**Intellectual Property**" means the following intellectual property:
  - (i) all designs, graphics, slogans and other commercial symbols and all registrations and applications therefor;
  - (ii) all patents, patent rights (including divisions, reissues, renewals, re-examinations, continuations, continuations in part and extensions) and all applications therefor;
  - (iii) all copyrights, writings and other copyrightable works of authorship, including computer programs, databases and documentation therefor, integrated circuit topographies, industrial designs and other industrial property rights and all

applications and registrations therefor and all renewals or extensions of such applications and registrations;

- (iv) all proprietary and non-public business information, including know-how, trade secrets, improvements, concepts, ideas, technical data, drawings, specifications therefor, business methodologies and processes, confidential information and any licensed property or technology; and
- (v) all goodwill and trademarks in whatever format, including without limitation, registered and unregistered trademarks, trade names, brand names, service marks, logos, copyrights, certification marks, drawings, permits, internet and electronic email addresses, URLs, telephone, telex and facsimile numbers, content of websites and domain names related to or connected with the business carried on by the Vendor, all related software and electronic code to the extent assignable and other similar intellectual property or intangibles of the Vendor;
- (y) "**Interim Period**" means the period between the date of acceptance of this Agreement by the Vendor and the Closing Date;
- (z) "**Leased Premises**" means the premises leased and occupied by the Vendor at:
  - (i) 8785 Langelier Blvd., (Saint-Leonard) Montreal, Québec, H1P 2C9;
  - (ii) 5675 Des Grandes-Prairies Blvd., (Saint-Leonard) Montreal, Québec, H1R 1B3;
  - (iii) 7525 Henri Bourassa East, Montreal, Québec, H1E 1N9;
- (aa) "**Material Adverse Change**" means the loss by the Vendor, during the Interim Period, of customers representing, in the aggregate in the past twelve (12) months, revenues of \$2,5M or more;
- (bb) "**Monitor**" has the meaning set out in the Recitals;
- (cc) "**Objection Notice**" has the meaning set out in Section 2.10;
- (dd) "**Offer Date Inventory Value**" has the meaning set out in Section 2.9;
- (ee) "**Offer Date Receivable Value**" has the meaning set out in Section 2.9;
- (ff) "**Order**" means any order, directive, judgment, decree, award or writ of any tribunal;
- (gg) "**Purchase Price**" has the meaning set out in Section 2.9;
- (hh) "**Purchased Assets**" means the right, title and interest of the Vendor in and to the assets described in Schedule 1.1(hh), provided that the Purchased Assets shall not include any Excluded Assets;
- (ii) "**Purchased Inventories**" has the meaning set out in Section 2.9;
- (jj) "**Purchased Receivables**" has the meaning set out in Section 2.9;
- (kk) "**Purchased Working Capital**" has the meaning set out in Section 2.10;



- (ll) "QSTA" means an *Act respecting the Quebec Sales Tax*.
- (mm) "**Required Consents**" means the consents listed in Schedule 1.1(mm);
- (nn) "**Schedules**" means any and all schedules referred to in this Agreement and attached thereto;
- (oo) "**Subsidiary(ies)**" means each of (i) Valle Foam Industries (1995) Inc. having its registered office at 4 West Drive, Brampton (Ontario) L6T 2H7, and (ii) A-Z Sponge & Foam Products Ltd. having its registered office at 811 Cundy Ave., Annacis Island, Delta (British Columbia) V3M 5P6. Those corporations being referred to individually as a "**Subsidiary**" and collectively as "**Subsidiaries**";
- (pp) "**Taxes**" has the meaning set out in Section 2.13;
- (qq) "**Tax Return**" means a report, return or other information or form required to be supplied to a governmental entity with respect to any Taxes;
- (rr) "**Time of Closing**" means 2:00 p.m. (Montréal Time) on the Closing Date or such other time on the Closing Date as the parties may mutually agree;
- (ss) "**Transaction**" means the transaction of purchase, sale, assignment and assumption contemplated by this Agreement;
- (tt) "**Unionized Employees**" has the meaning set out in Section 2.5;
- (uu) "**Vendor's Intellectual Property**" means all Intellectual Property used by the Vendor as at the Closing Date, including any Intellectual Property listed in Schedule 1.1(uu) attached hereto; and
- (vv) "**Vesting Order**" means an Order of the CCAA Court vesting in the Purchaser all the right, title and interest of the Vendor in the Purchased Assets, free and clear of all liens, charges and encumbrances, security interests and other encumbrances, in form and content satisfactory to both the Vendor and the Purchaser, as confirmed in writing.

## 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

## 1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

**1.4 Schedules**

The following schedules are incorporated in and form part of this Agreement:

Schedule 1.1(m)	Contracts
Schedule 1.1(o)	Customer Contracts
Schedule 1.1(r.1)	Equipment Operating Leases
Schedule 1.1(hh)	Purchased Assets
Schedule 1.1(mm)	Required Consents
Schedule 1.1(uu)	Vendor's Intellectual Property
Schedule 2.2	Excluded Assets
Schedule 2.6	Assumed Obligations
Schedule 2.9(A)	Purchased Receivables
Schedule 2.9(B)	Purchased Inventories
Schedule 2.9(E)	Excess rebates to customers
Schedule 4.1(c)	Confidentiality Agreement
Schedule 5.1(o)	List of assets to be acquired from Valle Foam Industries (1995) Inc.

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[Section 2 follows on next page]

## Section 2 – SALE AND PURCHASE AND ASSIGNMENT

### 2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, the Vendor shall sell to the Purchaser and the Purchaser shall purchase the Purchased Assets on the Closing Date. The Purchaser acknowledges that it is not purchasing any other property or assets of the Vendor other than the Purchased Assets. The Purchaser acknowledges and agrees that this Agreement contains a condition (not capable of waiver) that, prior to the Closing, the Vendor shall have obtained the Approval Order and the Vesting Order, all as provided in this Agreement. If the Vendor shall not have obtained both the Approval Order and the Vesting Order after making application for them, this Agreement shall automatically terminate without any further action on the part of any of the Vendor or the Purchaser and neither party hereto shall be under any further obligation to the others to complete the transactions of purchase and sale contemplated by this Agreement and each party hereto shall be released immediately of all of its obligations hereunder, other than as set forth in Sections 6.6(b) (return of the Deposit), 4.1(c) (Confidentiality Agreement) and 7.3 (Cost and Expenses).

### 2.2 Excluded Assets

The Purchased Assets shall not include (i) any assets of the Vendor other than the Purchased Assets or (ii) those assets of the Vendor that are listed or described in Schedule 2.2 on the date hereof and those assets of the Vendor which are added to such Schedule 2.2 by the Purchaser during the Interim Period (collectively, the "**Excluded Assets**"). If any of the Excluded Assets or any proceeds in respect thereof shall at any time come into the possession of or under the control of the Purchaser or any of its employees, officers or agents, such assets and proceeds shall be held by the Purchaser in trust for the benefit of the Vendor. Within twenty (20) Business days from the date on which the Purchaser, or any of its employees, officers or agents, comes into possession of or obtains control over any of such assets or proceeds, as applicable, the Purchaser shall (a) by notice in writing delivered to the Vendor and the Monitor in accordance with the provisions hereof, so advise the Vendor and the Monitor, and (b) forthwith account and deliver over to the Vendor or the Monitor any such assets or proceeds, less any cost incurred by the Purchaser in executing said obligations.

### 2.3 Assignment and Assumption of Contracts

Subject to the conditions and terms hereof, the Vendor agrees to use its commercial best efforts to obtain the consents or approvals to the assignment of the Customer Contracts and the Contracts or any other contract that the Purchaser may require to be added to Schedule 1.1(m) during the Interim Period (collectively the "**Assigned Contracts**"), as requested by the Purchaser acting reasonably, on terms and conditions satisfactory to the Purchaser. Except for any administration fee required to be paid to the person whose consent or approval has been requested in respect of any such Assigned Contract, the Vendor shall not be required to pay any amount or fee whatsoever in connection with the Vendor's covenant to attempt to obtain such consent or approval. The Purchaser agrees to supply all such information to the Vendor and the person whose consent or approval has been requested (including, without limitation, credit and financial information) as may be reasonably requested by the Vendor or the person whose consent or approval has been requested and to otherwise cooperate, acting reasonably, with the Vendor and the person whose consent or approval has been requested in connection with the foregoing. Notwithstanding any other provision of this Agreement, the failure of the Vendor or the Purchaser to have obtained any such consents or approvals requested by the Purchaser, except in respect of any Required Consents, shall not entitle the Purchaser to terminate this Agreement or reduce the Purchase Price and shall not operate to release the Purchaser from any of its obligations hereunder.

To the extent the assignment of any of the Assigned Contracts assigned to the Purchaser pursuant to the provisions hereof shall require the consent or approval of any person and such consent or approval is not obtained at or prior to the Time of Closing, this Agreement shall not constitute a contract to assign such Assigned Contract if an attempted assignment would constitute a breach thereof. The Vendor shall co-operate with the Purchaser in any reasonable arrangement designed to provide the Purchaser with the benefit of such Assigned Contract including enforcement of any and all rights of the Vendor (if any) against the other party thereto arising out of any breach or cancellation thereof by such party or otherwise. Nothing contained herein shall be construed to negate or diminish, as between the Vendor and the Purchaser, the Vendor's covenants and obligations to transfer and deliver to the Purchaser the Purchased Assets as provided in this Agreement.

**2.4 "As is, Where is"**

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and the title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability concerning the Purchased Assets. The description of the Purchased Assets contained in the Schedule 1.1(hh) is for the purpose of identification only. The Purchased Assets are being purchased as they exist at execution hereof and, except as provided in Section 2.10, no adjustment will be allowed to the Purchaser for any change in condition, value, or quality of the Purchased Assets.

**2.5 Employees**

The Vendor shall provide to the Purchaser within five (5) Business Days of the acceptance of this Agreement a list of the names of the individuals of the Vendor that are full-time, part-time or casual employees or individuals engaged on contract to provide services to the Vendor together with all recruitment agencies' employees actually working for the Vendor. The Purchaser agrees that it shall offer employment to (i) all the unionized employees employed by the Vendor (the "**Unionized Employees**") and (ii) substantially all other employees of the Vendor other than those employees or individuals that the Purchaser has identified in writing to the Vendor ("the "**Excluded Employees**") five (5) Business Days prior to the Closing Date (the Unionized Employees and such other employee or individual who accepts the Purchaser's offer, the "**Assumed Employees**"), effective as at the Time of Closing, on terms and conditions of employment as may be agreed between the Purchaser and the Assumed Employees (except in the case of the Unionized Employees whose employment terms shall be governed by the applicable collective bargaining agreement). Until the Closing Date, the Vendor shall be responsible for all wages, workers compensation contributions, accrued vacations, severance of any nature, any amount owed under the *Pay Equity Act* (R.S.Q., chapter E-12.001) and any regulation adopted under such Act, and other remuneration and benefits as may be payable, or related, to the employees of the Vendor. After the Closing Date, the Vendor shall remain responsible for all such amounts payable, or related to, the Excluded Employees.

**2.6 Assumed Obligations**

In connection with the acquisition of the Purchased Assets, the following obligations and liabilities ("**Assumed Obligations**") shall be assumed by the Purchaser as of the Time of Closing:

- (a) all obligations related to the Assumed Employees for the period beginning immediately after the Time of Closing;

- (b) all obligations and liabilities of the Vendor as of the Time of Closing under the Customer Contracts and the Contracts;
- (c) all obligations and liabilities in connection with the Purchased Assets and related to the period after the Time of Closing;
- (d) such other liabilities as the Purchaser advises the Vendor prior to the Time of Closing that the Purchaser will assume;
- (e) those obligations listed on Schedule 2.6 hereto.

The Purchaser shall indemnify and hold harmless the Vendor with respect to any claim which may, from time to time, be asserted against the Vendor relating to the Assumed Obligations after the Time of Closing and from any and all costs (including all reasonable legal costs on a solicitor and its own client basis), actions, losses, claims, damages and liabilities whatsoever which the Vendor may suffer or incur by virtue of the failure of the Purchaser to pay, perform and discharge the Assumed Obligations.

## 2.7 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable for any other liabilities or obligations of the Vendor (the "**Excluded Obligations**").

## 2.8 Purchaser's Right to Exclude

Notwithstanding anything to the contrary in this Agreement, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction prior to the Closing Date, whereupon such Purchased Assets shall be Excluded Assets, provided, however, that there shall be no corresponding reduction in the Purchase Price. For greater certainty, the Purchaser shall be entitled to exclude any of the Contracts described in Schedule 1.1(m) hereto (with the exception of the collective bargaining agreement relating to the Unionized Employees) and any of the Customer Contracts described in Schedule 1.1(o) hereto, provided, that, if such an exclusion occurs, the related Required Consent shall also become automatically excluded from Schedule 1.1 (mm).

## 2.9 Purchase Price

The purchase price for the Purchased Assets would be, calculated as of December 16, 2011, the aggregate amount of three million five hundred fifty four thousand eight hundred and eighty dollars (\$3,554,880) plus the assumption of the Assumed Obligations, said purchase price to be established as of the Closing Date (the "**Purchase Price**").

The Purchase Price is divided as follow:

(A)	Purchased Receivables:	\$1,919,385
(B)	Purchased Inventories:	\$1,068,928
(C)	BASF Receivables:	\$385,200
(D)	All other Purchased Assets:	\$250,000
(E)	Excess rebates to customers	(\$68,633)

For more clarity, the Purchase Price has been established on the following method of calculation as for the Purchased Receivables and the Purchased Inventories, and same method of calculation shall be used to establish the final amount of the Purchase Price as of the Closing Date:

(A) Purchased Receivables

As of December 16, 2011, the total amount of all the Vendor's accounts receivable (the "**Purchased Receivables**") is five million one hundred ten thousand and forty eight dollars (\$ 5,110,048) (the "**Offer Date Receivable Value**"), and is detailed in Schedule 2.9(A) – Section 1.

The portion of the Purchase Price attributed to the Purchased Receivables is one million nine hundred nineteen thousand three hundred and eighty five dollars (\$1,919,385) and is calculated as described in Schedule 2.9(A) – Section 2.

(B) Purchased Inventories

As of December 17, 2011, the total amount of all the Vendor's inventory (raw material, work in progress and finished goods inventory) (the "**Purchased Inventories**") is three million five hundred seventy thousand eight hundred and ninety one dollars (\$3,570,891) (the "**Offer Date Inventory Value**") in Schedule 2.9(B) – Section 1.

The portion of the Purchase Price attributed to the Purchased Inventories is one million sixty eight thousand nine hundred and twenty eight dollars (\$1,068,928) and is calculated as described in Schedule 2.9(B) – Section 2.

(C) BASF Receivables

As of December 16, 2011, the Purchaser has been informed that the Vendor was entitled to payments from BASF in lieu of a settlement out of court by BASF of class actions in the amount of approximately six hundred forty two thousand dollars (\$642,000).

The portion of the Purchase Price attributed to the BASF Receivables is three hundred eighty five thousand and two hundred dollars (\$385,200) calculated at a discount rate of 60%.

The purchase of the BASF Receivables is conditional upon production by the Vendor of all the supporting documents related to said BASF Receivables and the completion of its assignment from the Vendor to the Purchaser as of the Closing Date.

If the Vendor does not want to sell the BASF Receivables because it would be used by the Vendor in the negotiation of the settlement out of court of the Canadian class actions instituted against the Vendor, the Purchaser would then agree to withdraw its offer to purchase said BASF Receivables and the Purchase Price would be reduced by the amount attributed to the BASF Receivables.

(D) Other Purchased Assets

The Purchaser is ready to pay the Vendor the amount of two hundred and fifty thousand dollars (\$250,000) for all the other Purchased Assets.

## (E) Excess rebates to customers

The Purchase Price shall be reduced by the total amount of rebates earned by the Vendor's customers for the calendar year 2011 and not already applied to the outstanding invoices for each said customer at the Closing Time. As of December 16, 2011, the excess rebates to customers totalize sixty eight thousand six hundred and thirty three dollars (\$68,633) as calculated in Schedule 2.9(E) and shall be adjusted as at the Closing Date using the same parameters.

**2.10 Settlement of the Purchase Price**

The Vendor and the Purchaser agree that the Purchase Price shall be adjusted as for the Purchased Receivables and the Purchased Inventories (collectively, the "**Purchased Working Capital**") as follows:

(A) Re: Accounts receivable:

Subject to the limit established hereinafter in this paragraph, the Purchase Price payable in relation with the Purchased Receivables shall be adjusted downward or upward, as the case may be, as per the formula established in Schedule 2.9(A) – Section 2, in the event and to the extent that, on the Closing Date, the aggregate value of the Purchased Receivables shall be lower or higher, as the case may be, than the Offer Date Receivable Value. Nonetheless, if the total amount of the Purchased Receivables as of the Closing Date is over five million two hundred thousand dollars (\$5,200,000), then the difference between the total amount of the Purchased Receivables as of the Closing Date and the limit herein established shall be deducted from the calculation of the current portion of the Purchased Receivables for the Vendor as of the Closing Date.

(B) Re: Inventory:

The Purchase Price payable in relation with the Purchased Inventories shall be adjusted downward or upward, as the case may be, as per the formula established in Schedule 2.9(B) – Section 2, in the event and to the extent that, on the Closing Date, the aggregate value of the Purchased Inventories shall be lower or higher, as the case may be, than the Offer Date Inventory Value.

On or before the fifth (5) Business Day after the Closing Date, the Vendor shall deliver to the Purchaser a statement setting forth a detailed calculation of the Purchased Working Capital as of the Closing Date, with all the relevant supporting evidence, and prepared by the Vendor with the same parameters as used for the evaluation of the Purchase Price as for the Purchased Receivables and the Purchased Inventories as detailed in Schedules 2.9(A) and 2.9(B).

The value of the Purchased Inventories shall be based on a physical inventory count and valued on a basis consistent with the Vendor's costing methodologies used for the establishment of the Offer Date Inventory Value. The physical inventory count will be jointly supervised by the Vendor, the Purchaser and the Monitor.

The Purchaser may dispute the value of the Purchased Working Capital as presented by the Vendor by notice in writing (the "**Objection Notice**") given to the Vendor within ten (10) Business Days after the delivery of the Vendor's statement as to the amount of the Purchased Working Capital. Such Objection Notice shall specify, in detail, the basis for the dispute and the Vendor's adjustments to the value of the Purchased Working Capital shown by the Vendor in its statement.

If the Purchaser and the Vendor cannot agree on the value of the Purchased Working Capital within five (5) Business Days after the delivery of the Objection Notice, then either the Purchaser or the Vendor may make a motion to the CCAA Court to resolve this dispute.

Forthwith after agreement as to the amount of the Purchased Working Capital or forthwith upon the decision of the CCAA Court as to the amount of the Purchased Working Capital, then, as the case may be, the Vendor shall refund to the Purchaser such portion of the Purchase Price which is equal to the amount by which the respective Purchased Working Capital values are less than the respective Offer Date Receivable Value and Offer Date Inventory Value, or alternatively, the Purchaser shall pay to the Vendor, by way of certified cheque or wire transfer, such additional amount which is equal to the amount by which the respective Purchased Working Capital values are higher than the respective Offer Date Receivable Value and Offer Date Inventory Value.

The Monitor and the Vendor agree that they shall not make a motion to the CCAA Court for distribution of any funds received by either of them under this Agreement, or otherwise distribute any such funds, unless the Purchase Price adjustments contained in this Section have been completed and the covenant contained in Section 4.2(b) has been fulfilled. However, in the event that the Purchase Price adjustments have not been settled by the date that is ninety (90) days following the Closing Date, the Monitor shall be entitled to bring a distribution motion on appropriate notice to the Purchaser and the Vendor and each of the Purchaser, the Vendor and the Monitor shall be entitled to make submissions to the CCAA Court in this regard.

#### 2.11 Method of Payment

The Purchase Price shall be satisfied as follows:

- (a) a deposit in the sum of one hundred thousand dollars (\$100,000) (the “**Deposit**”) by wire transfer payable to LAMARRE PERRON LAMBERT VINCENT (“**LPLV**”), in trust, upon acceptance of this Agreement by the Vendor, to be held in trust by LPLV until the Monitor has been appointed by the CCAA Court and, within five (5) Business Days of said appointment, LPLV shall wire to the Monitor the Deposit, such Monitor to hold in trust such Deposit until the Time of Closing and then credited towards the Purchase Price, or in accordance with any other provision herein;
- (b) the amount of three million fifty four thousand eight hundred and eighty dollars (\$3,054,880) by certified cheque or wire transfer payable to the Monitor at the Time of Closing;
- (c) the amount of four hundred thousand dollars (\$400,000) (the “**Holdback**”) to be paid no later than a hundred and twenty (120) days following the Closing Date; and
- (d) by the assumption of the Assumed Obligations.

The Monitor agrees to cause the Deposit to be placed into an interest bearing account or certificate of deposit, with all interest earned or accrued thereon and subject to Section 6.6 to be paid or credited to the Purchaser at the Time of Closing.

The Purchaser shall have the ability to offset any portion of the Holdback against any downward adjustment of the Purchase Price per Section 2.10 herein. The Purchaser shall also have the ability to offset any portion of the Holdback against any claim made against the Purchaser from any of the Vendor’s employees for any period up to the Closing Time. In such case, the Purchaser shall have the right to retain the Holdback as long as final judgments have not been rendered via à vis such claim.



## 2.12 Allocation of Purchase Price

The Purchaser and the Vendor shall, acting reasonably, agree on the allocation of Purchase Price (other than for the Purchased Receivables and the Purchased Inventories) on or before the Closing Date, and they shall execute and file any Tax Returns required on the basis of such allocation.

## 2.13 Taxes

The Purchaser shall be liable for and shall pay any and all federal, provincial and other sales, goods and services, value added, and other transfer taxes which are properly payable by the Purchaser in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser, together with all duties, registration fees or other charges properly payable by the Purchaser upon or in connection with the conveyance or transfer of the Purchased Assets (collectively, the "Taxes").

## 2.14 Value Added Tax

- (a) The Purchaser shall be liable for and shall pay any Taxes which may be exigible under Part IX of the ETA;
- (b) The Vendor hereby declare that it is duly registered under Subdivision (d) of Division V of Part IX of the ETA;
- (c) The Vendor hereby declare that it is duly registered under the QSTA;
- (d) Without limiting the Purchaser's indemnity obligations under Section 2.13, the Vendor and the Purchaser will on the Closing Date jointly execute and deliver to each other an election, in the prescribed form and containing the prescribed information, to have subsection 167(1) of the ETA and section 75 of the QSTA so that no tax is payable under any such laws in respect of the sale and purchase of the Purchased Assets hereunder, and the Purchaser shall file any joint election in accordance with the ETA and QSTA.

## 2.15 Section 22 Election — Accounts Receivable

The Purchaser and the Vendor agree to elect jointly in the prescribed form under Section 22 of the *Income Tax Act* (Canada) as to the sale of the accounts receivable and other applicable Purchased Assets described in Section 22 of the *Income Tax Act* (Canada) and the corresponding provision of the statute that is the provincial equivalent thereof and to designate in such election an amount equal to the portion of the Purchase Price allocated to such assets pursuant to Section 2.12 as the consideration paid by the Purchaser therefor.

## 2.16 Risk of Loss

During the Interim Period, up to the Time of Closing, the Purchased Assets shall be and remain at the risk of the Vendor. If, prior to the Closing Date, all or substantially all of the Purchased Assets or any plant operated by the Vendor is destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by any governmental entity or other lawful authority, the Purchaser shall have the option, at its absolute discretion, exercisable by notice in writing given within fifteen (15) Business Days after the Purchaser receives notice in writing from the Vendor of such destruction, damage, appropriation, expropriation or seizure:

- (a) In the event of damage or destruction, to complete the purchase subject to a reduction of the Purchase Price to be mutually agreed to by the parties;

- (b) In the event of appropriation or expropriation, to complete the purchase without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for appropriation, expropriation or seizure shall be payable to the Purchaser and all right and claim of the Vendor to any such amounts not paid on the Closing Date shall be assigned to the Purchaser; or
- (c) In either event, to terminate this Agreement, receive a refund of the Deposit and not complete the purchase, in which case all obligations of the Purchaser shall terminate forthwith upon the Purchaser giving notice as required herein.

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[Section 3 follows on next page]

### Section 3 – REPRESENTATIONS AND WARRANTIES

#### 3.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Canada;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated herein and have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*; and
- (f) the Purchaser is or will be prior to Closing Date registered under Part IX of the ETA and under the QSTA.

#### 3.2 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying thereon in completing this Agreement:

- (a) the Vendor is a corporation duly incorporated, organized and subsisting under the laws of Canada;
- (b) the Vendor has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated herein and have been duly authorized by all necessary corporate action on the part of the Vendor;
- (c) the Vendor is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter, by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;

- (d) this Agreement and all other documents contemplated hereunder to which the Vendor is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Vendor and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Vendor, as the case may be, enforceable in accordance with the terms hereof or thereof; and
- (e) the Vendor is a registrant for the purposes of Part IX of the ETA.

**3.3 Survival of Representations and Warranties**

The representations and warranties of the Vendor shall survive the completion of the Transaction and shall continue in full force and effect for the benefit of the Purchaser (which term for the purposes of this Section 3.3 shall include the Purchaser's directors and officers) for a period of nine (9) months from the Closing Date.

The representations and warranties of the Purchaser shall survive the completion of the Transaction and shall continue in full force and effect for the benefit of the Vendor (which term for the purposes of this Section 3.3 shall include the Vendor's respective directors and officers) for a period of nine (9) months from the Closing Date.

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[Section 4 follows on next page]

## Section 4 – RESPECTIVES COVENANTS OF THE PARTIES

### 4.1 Covenants of the Purchaser

- (a) The Purchaser agrees that from and after the Time of Closing, it shall preserve the Books and Records actually received from the Vendor at the Time of Closing, and at the reasonable request of the Vendor, the Monitor or another party acting in a court-appointed capacity (such as a receiver, interim receiver, receiver and manager or bankruptcy trustee, or any of their respective authorized representative) (a "**Requestor**") from time to time, the Purchaser shall co-operate fully with the Requestor and make available to the Requestor in a reasonable timely fashion during normal business hours (i) such Books and Records, (ii) the premises of the Purchaser for the Requestor's review of the Books and Records, and (iii) at the Requestor's expense, the personnel of the Purchaser, in each case to the extent the Requestor reasonably consider necessary (A) to permit the Requestor to prepare and file necessary Tax Returns and any other statutory documents relating to the operation by the Vendor of its business up to the Time of Closing, (B) to properly fulfil the Vendor's obligations in bankruptcy, as the case may be, (C) for the preparation by any Requestor of any Tax Returns or in connection with any assessment, reassessment or other form of document assessing liability of the Vendor for taxes under applicable tax legislation in respect of any taxation year, (D) in connection with the restructuring proceedings, or (E) to ensure compliance by the Vendor with applicable law;
- (b) The Purchaser agrees that from and after the Time of Closing, it shall permit the Requestor to make copies, at the Requestor's expense, of the Books and Records actually received by the Purchaser from the Vendor at the Time of Closing and shall provide reasonable assistance to the Requestor, at the Requestor's expense, to prepare T4 forms and records of employment for the employees of the Vendor who accept offers of employment from the Purchaser. In the case of the Books and Records actually received from the Vendor at the Time of Closing, the Purchaser agrees to preserve same for a minimum of 6 years from the Closing Date;
- (c) Until the Time of Closing, and in the event of the termination of this Agreement without consummation of the Transaction contemplated, the Purchaser shall keep confidential any information obtained from the Vendor in accordance with the confidentiality agreement executed between S.P. Holdings or Nominee and the Vendor on November 25, 2011 (the "**Confidentiality Agreement**") and attached hereto as Schedule 4.1(c) as if the Purchaser was a party thereto, and the Purchaser hereby agrees in favour of the Vendor to be bound by the terms of such confidentiality agreement as if it were an original signatory thereto. If this Agreement is terminated without consummation of the Transaction contemplated, promptly after termination, all documents, work papers and other written material obtained in connection with this Agreement and not made public (including all copies), shall be returned to the Vendor.

### 4.2 Covenants of the Vendor

- (a) The Vendor shall allow the Purchaser to have observers to the Vendor's management team, on a daily basis, and the Vendor's management team shall answer observers' questions about the operation of the Business, the management of the Business and the decisions to be taken by the Vendor's management team during the Interim Period;

- (b) The Vendor shall provide the Purchaser, within fifteen (15) Business Days following the Closing Date, confirmation that all wages, workers compensation contribution, accrued vacations, severance of any nature, any amount owed under the *Pay Equity Act* (R.S.Q., chapter E-12.001) and any regulation adopted under such Act, and other remuneration and benefits as may be payable, or related, to the employees of the Vendor, immediately before the Closing Date, have been paid up to and including the Closing Date;
- (c) The Vendor shall use its best efforts to obtain such releases as may be required by the Purchaser, acting reasonably, regarding the termination of management employees, a list of which shall be provided by the Purchaser no later than ten (10) Business Days prior to the Closing Date, it being specifically acknowledged by the Purchaser that in complying with this covenant; and
- (d) The Vendor agrees that during the Interim Period, it shall continue to conduct its Business in the ordinary course and, without limiting the generality of the foregoing, continue to deserve its customers on a daily and normal basis without interruption, purchase inventory to satisfy the needs of the Business and deliver the finished goods on the timely manner as done in the past year.

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[Section 5 follows on next page]

## Section 5 – CONDITIONS

### 5.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at by the Vendor or prior to the Time of Closing:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) no Material Adverse Change shall have occurred, as reasonably determined by the Purchaser;
- (c) the obtaining on or before the date which is fifteen (15) Business Days from acceptance of this Agreement by the Vendor of all Required Consents;
- (d) the Vendor shall not be bankrupt as at the Time of Closing;
- (e) the obtaining of the Approval Order and the Vesting Order to the entire satisfaction of the Purchaser;
- (f) the Vendor shall have performed its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (g) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction;
- (h) the Vendor shall have commenced proceedings before the CCAA Court under the CCAA on or before January 13, 2012;
- (i) the Vendor shall not have transferred any inventory or equipment to any of its Subsidiaries, shall not have assigned any of its Contracts to its Subsidiaries or have sold to its Subsidiaries any one of the Purchased Assets without having obtained from the Purchaser a prior written approval of said transaction which the Purchaser may refuse at its complete discretion;
- (j) the Vendor shall have provided to the Purchaser a draft of the application to obtain the Initial Order at least six (6) Business Days prior to its filing with the CCAA Court to allow the Purchaser to amend said proceeding to its entire satisfaction, acting reasonably with cooperation of its legal counsels;
- (k) the Vendor shall have respected all the terms and conditions of the Leases for the Leased Premises during the Interim Period;
- (l) the Vendor shall have filed, within five (5) Business Days from the Closing Date, articles of amendment to change its corporate name “Domfoam International Inc.” to a numbered corporation and shall provide to the Purchaser with a copy of the certificate of amendment evidencing said change and shall provide to the Purchaser with a written authorization for it to use said corporate name and any derivative of it;

- (m) there shall be no reduction of the revenues of the Vendor for the twelve (12) month period ending as of December 31, 2011 compared to the same period last year for more than six percent (6%);
- (n) if, for any reason, the Vendor shall obtain financing during the CCAA proceedings, then, said financing (“**DIP Financing**”) shall be agreed upon with the Purchaser or any related entity to the Purchaser on commercially reasonable terms under the circumstances; if the Vendor obtains a better DIP Financing offer during the CCAA proceedings, then the Purchaser shall be allowed an additional five (5) day period to match said better offer;
- (o) the Vendor shall have acquired from its Subsidiary Valle Foam Industries (1995) Inc., prior to commence its proceedings before the CCAA Court, all the assets listed in Schedule 5.1(o); and
- (p) the obtaining on or before the date which is fifteen (15) Business Days from acceptance of this Agreement by the Vendor of a commitment letter from the actual general manager of the Vendor (John C. Howard) on the terms and conditions of a three (3) year employment agreement with the Purchaser.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any such condition (except 5.1(e)) may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

## 5.2 Conditions – Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Vendor. Any such condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

## 5.3 Mutual Conditions

The obligations of the Vendor on the one hand, and the Purchaser on the other hand are subject to the conditions that:

- (a) the Approval Order and the Vesting Order shall have been made by the CCAA Court on or before the 24<sup>th</sup> day of February 2012 by the Vendor (or such later date as the parties may agree to acting reasonably) approving this Agreement and the Transaction, authorizing the transfer of the Purchased Assets; and



- (b) the Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued which restrains or prohibits the completion of the Transaction.

The parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

#### **5.4 Actions to Satisfy Closing conditions**

Each of the parties agrees to diligently take all actions as are within its power to control, and to use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in sections 5.1, 5.2 and 5.3 and, generally, the conditions set forth in this Agreement.

#### **5.5 Non-Satisfaction of Conditions**

If any condition set out in this Section 5 is not satisfied or performed on or prior the Closing Date, or at any date provided for herein, then the Vendor or the Purchaser, depending whose benefit the condition is inserted, may:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) choose to give the other party an additional delay for said condition to be satisfied or performed; or
- (c) elect on written notice to the other party to terminate this Agreement before Closing.

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[Section 6 follows on next page]

## Section 6 – CLOSING

### 6.1 Closing

The completion of the Transaction shall take place at the offices of Lamarre Perron Lambert Vincent, g.p., 480 Saint-Laurent Blvd., suite 200, Montreal, Quebec, H2Y 3Y7, on the Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the parties in writing.

### 6.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute and deliver to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the portion of the Purchase Price payable at the Time of Closing;
- (b) payment or evidence of payment of applicable federal and provincial Taxes or alternatively, appropriate exemption certificates, as required by this Agreement;
- (c) general conveyance and assumption of liabilities agreement pursuant to Subsection 2.6 duly executed by the Purchaser, in form and substance mutually satisfactory to the Vendor and the Purchaser;
- (d) the Allocation of Purchase Price pursuant to Section 2.12;
- (e) an assignment or assignments of Intellectual Property agreements, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Purchaser;
- (f) an assignment or assignments of Customer Contracts and Contracts, in form and substance mutually satisfactory to the Purchaser and the Vendor, duly executed by the Purchaser;
- (g) an assignment of leases for the Leased Premises, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Purchaser;
- (h) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (i) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 5.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (j) such further and other documentation as is referred in this Agreement or as the Vendor may reasonably require to give effect to this Agreement including pursuant to Sections 2.2, 2.6 and 2.8.

### 6.3 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a bill of sale pursuant to which the Vendor shall assign, sell, transfer and convey all of its right, title and interest in and to its Purchased Assets, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (b) an assignment or assignments of Intellectual Property agreements, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (c) an assignment of leases for the Leased Premises, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (d) an assignment or assignments of Customer Contracts and Contracts, in form and substance mutually satisfactory to the Purchaser and the Vendor, duly executed by the Vendor;
- (e) the Approval Order and the Vesting Order in form and substance satisfactory to the Purchaser;
- (f) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Vendor contained in this agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (g) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 5.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (h) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement which shall be prepared by the Purchaser at its sole expense and in form and substance satisfactory to the Vendor, acting reasonably.

### 6.4 Possession of Assets

The Vendor shall remain in possession of the Purchased Assets until the Time of Closing. On Closing, the Purchaser shall take possession of the Purchased Assets which shall be located in the Leased Premises. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval Order and the Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 6.2.

### 6.5 Access to Assets

The Purchaser shall have reasonable access to the Purchased Assets located at the Leased Premises or at any other leased premises presently occupied by the Vendor or any of its Subsidiaries during normal business hours prior to the Time of Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Vendor, if so required at the discretion of the Vendor.

## 6.6 Termination

If either the Vendor on the one hand, or the Purchaser on the other hand, validly terminates this Agreement pursuant to the provisions of Sections 5.5, or 2.16,

- (a) all the obligations of the Vendor and Purchaser pursuant to this Agreement shall terminate;
- (b) the Purchaser shall be entitled to have the Deposit and all the monies paid hereunder returned immediately with any interest earned thereon but without deduction provided; and
- (c) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

## 6.7 Breach by the Vendor

In the event that (i) the Vendor receives an offer on or before commencing the proceedings to obtain from the CCAA Court protection under CCAA or (ii) the Vendor or the Monitor receives an offer from a third party to purchase portion or all the Purchased Assets and said offer is approved by the CCAA Court and only in these circumstances, then the Vendor may elect not to proceed with this Transaction and, by sending a written notice to the Purchaser, terminate this Agreement to accept the other offer. In that event, the Vendor covenant and agree that the Purchaser will be entitled to a break-up fee equal to all the cost incurred by the Purchaser and related to the filing of this Agreement (including but not limited to the professional fees attached to the due diligence performed by the Purchaser, the drafting and negotiation of this Agreement and, generally, all costs incurred by the Purchaser in relation to purchasing the Purchased Assets) plus a liquidated amount of one hundred and fifty thousand dollars (\$150,000), such aggregate amount (the cost and the liquidated amount) being payable with the termination notice. If the break-up fee is not paid with the termination notice, such termination notice shall be deemed null and void.

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[Section 7 follows on next page]

## Section 7 – GENERAL

### 7.1 Further Assurances

Each of the parties shall, from time to time after the Closing Date, at the request and expense of the other, promptly take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

### 7.2 Obligations to Survive

Notwithstanding the completion of the transactions contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations, covenants, representations and warranties of the parties hereto shall survive such completion and shall remain in full force and effect and shall not merge as a result thereof.

### 7.3 Costs and Expenses

Each party hereto shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants and other advisors) incurred by it in connection with this Agreement and the transactions contemplated herein.

In case of termination of this Agreement and payment of the break-up fee, then said break-up fee shall cover the Purchaser's costs and expenses incurred by him related to this Agreement.

### 7.4 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax or electronic mail ("**Email**"), addressed in the case of the Purchaser, as follows:

**4037057 CANADA INC.**  
8600 Decarie Blvd. Suite 200  
Mont-Royal, Qc  
H4P 2N2

Attention: Terry Pomerantz  
Telephone No.: (514) 341-8600  
Fax No.: (514) 340-1389  
Email: [tpomerantz@trasmgmt.com](mailto:tpomerantz@trasmgmt.com)

and a copy to:

Lamarre Perron Lambert Vincent g.p.  
480 Saint-Laurent Blvd. Suite 200  
Montreal, Qc  
H2Y 3Y7

Attention: Jacques Vincent  
 Telephone No.: (514) 798-0990  
 Fax No.: (514) 798-5599  
 Email: [j.vincent@lplv.com](mailto:j.vincent@lplv.com)

and in the case of the Vendor, as follows:

**DOMFOAM INTERNATIONAL INC.**  
 8785, boul. Langelier  
 Montréal, Qc  
 H1P 2C9

Attention: Tony Vallecoccia  
 Telephone No.: (514) 325-8120  
 Fax No.: (514) 325-6477  
 Email: [tvallecoccia@vallefoam.com](mailto:tvallecoccia@vallefoam.com)

and a copy to:

Minden Gross LLP  
 145 King Street West  
 Suite 2100  
 Toronto, On  
 M5H 4G2

Attention: Raymond M. Slattery  
 Telephone No.: (416) 369-4149  
 Fax No.: (416) 864-9223  
 Email: [rslattery@mindengross.com](mailto:rslattery@mindengross.com)

and to:

the Monitor  
 to the coordinate to be provided by it upon its appointment

and a copy to its legal counsel:  
 to the coordinate to be provided by the Monitor upon its appointment

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or Email before 5:00 p.m. (Montreal time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax or Email after 5:00 p.m. (Montreal time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

**7.5 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

**7.6 Currency**

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

**7.7 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

**7.8 Third Party Beneficiaries**

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

**7.9 Entire Agreement**

This Agreement and the attached Schedules constitute the entire agreement between the parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the parties.

**7.10 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

**7.11 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

**7.12 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein and each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Quebec.

**7.13 Commission – No Broker**

The Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction. It is understood and agreed that no broker, agent or other intermediary has acted for the Vendor in connection with the sale of the Purchased Assets and the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Vendor.

**7.14 Assignment**

Except as hereinafter provided, no party may assign this Agreement without the prior written consent of the other parties, which consent may not be unreasonably withheld or delayed. This Agreement enures to the benefit of and binds the parties and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns. Notwithstanding the foregoing, this Agreement shall be assignable by the Purchaser if the assignee is a “related entity” to the Purchaser within the meaning of that expression under the *Income Tax Act* (Canada).

**7.15 Counterparts**

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. A party's transmission by facsimile or by Email of a copy of this Agreement duly executed by that party shall constitute effective delivery by that party of an executed copy of this Agreement to the party receiving the transmission. A party that has delivered this Agreement by facsimile or by Email shall forthwith deliver an originally executed copy to the other party or parties.

**7.16 Language**

The parties acknowledge that they have requested and are satisfied that the foregoing be drawn up in English. Les parties reconnaissent qu'elles ont exigé que ce qui précède soit rédigé en anglais et s'en déclarent satisfaites.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**



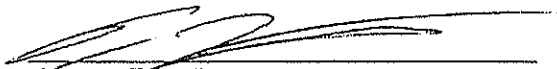
Each of the Vendor shall indicate its acknowledgement of and its agreement with the foregoing by signing both copies of this Agreement in the space provided below and returning one fully executed copy to the Purchaser (which return may be made by fax or Email) to:

LPLV  
c/o: Mtre. Jacques Vincent  
Fax: (514) 798-5599  
Email: [j.vincent@lplv.com](mailto:j.vincent@lplv.com)

by no later than 2:00 pm, on December 29, 2011, after which time this Agreement shall be considered null and void as to the Purchaser.

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement on December 22, 2011.

4037057 CANADA INC.

By:   
Name: Terry Pomerantz  
Title: President and CEO  
I have authority to bind the Purchaser.

IN WITNESS WHEREOF the Vendor have duly executed this Agreement on December \_\_\_\_, 2011 at \_\_\_\_:\_\_\_\_.

DOMFOAM INTERNATIONAL INC.

By: \_\_\_\_\_  
Name:  
Title:  
I have authority to bind the Vendor and my signature confirms the acceptance of this agreement by all the shareholders of the Vendor.

**Schedule 1.1(m)****Contracts**

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1. Subject to Section 2.3, the following Contracts shall form part of the Purchased Assets:
  - 1.1. All lease agreements in relation with the Leased Premises;
  - 1.2. Collective bargaining agreement with the Unionized Employees for the period of 2009-2014 (Teamsters Québec, Local 1999);
  - 1.3. All Equipment Operating Leases, to the extent that the Purchaser wishes to avail itself thereof and are not part of the Excluded Assets;
  - 1.4. Exclusive agreement for the Canadian use of specific chemical and formula for Gel Visco;
  - 1.5. All contractual arrangements with the suppliers to the extent that the Purchaser wishes to avail itself thereof;
  - 1.6. The annual Microsoft maintenance contract with PYA Solutions Inc.;
  - 1.7. Microsoft (Navision Licence agreement);
  - 1.8. Insurance policy re: Property and Liability;
  - 1.9. Insurance policy re: 2002 Ford;
  - 1.10. Coface (receivables);
  - 1.11. Insurance policy re: Directors and Officers liability;
  - 1.12. CN non freight – leases for tracks; and
  - 1.13. Canadiens hockey tickets.

**Schedule 1.1(n)****Customer Contracts**

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1. Subject to Section 2.3, the following Customer Contracts shall form part of the Purchased Assets:
  - 1.1. Customer bearing number #U11771 in the Books and Records;
  - 1.2. Customer bearing number #11682 in the Books and Records;
  - 1.3. Customer bearing number #10005 in the Books and Records;
  - 1.4. Customer bearing number #10072 in the Books and Records;
  - 1.5. Customer bearing number #U12129 in the Books and Records;
  - 1.6. Customer bearing number #10020 in the Books and Records;
  - 1.7. Customer bearing number #10244 in the Books and Records;
  - 1.8. Customer bearing number #11665 in the Books and Records;
  - 1.9. Customer bearing number #11924 in the Books and Records;
  - 1.10. Customer bearing number #11164 in the Books and Records;
  - 1.11. Customer bearing number #10413 in the Books and Records;
  - 1.12. Customer bearing number #10585 in the Books and Records;
  - 1.13. Customer bearing number #U12164 in the Books and Records;
  - 1.14. Customer bearing number #11209 in the Books and Records;
  - 1.15. Customer bearing number #11982 in the Books and Records;
  - 1.16. Customer bearing number #U11429 in the Books and Records;
  - 1.17. Customer bearing number #11177 in the Books and Records;
  - 1.18. Customer bearing number #11268 in the Books and Records;
  - 1.19. Customer bearing number #11848 in the Books and Records;
  - 1.20. Customer bearing number #00202 in the Books and Records;

Schedule 1.1(r.1)  
Equipment Operating Leases

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*See document attached*  
*Total of one (1) page*

**DOMFOAM INTERNATIONAL INC.**  
**LEASE COMMITMENTS WORKSHEET**  
 Dec 15 2011 (for fiscal year ended Apr 30th)

Lease No.	Description of Property	Lease Expiry MM/YYYY	2011 Current Yr. Expenses	Minimum Future Lease Commitments					2017 Balance
				2012 1st Year	2013 2nd Year	2014 3rd Year	2015 4th Year	2016 5th Year	
332467	1FUJA6CK97LY49529	05/2013	21,204	21,204	21,204	1,767	-	-	-
332468	1FUJA6CK57LY49530	05/2013	21,204	21,204	21,204	1,767	-	-	-
332469	1FUJA6CK77LY49531	05/2013	21,204	21,204	21,204	1,767	-	-	-
329316	1FUJA6CK37LY49526	11/2013	20,964	20,964	20,964	12,229	-	-	-
329317	1FUJA6CK67LY49527	11/2013	20,148	20,148	20,148	11,753	-	-	-
329318	1FUJA6CK77LY49528	11/2013	20,148	20,148	20,148	11,753	-	-	-
336256	1HTSCAAMXXH227668	11/2013	20,148	20,148	20,148	11,753	-	-	-
336257	1FUJA6CK97LY61325	11/2013	20,148	20,148	20,148	11,753	-	-	-
336258	1FUJA6CK77LY61324	11/2013	20,148	20,148	20,148	11,753	-	-	-
325581	1FUJA6CK87LY49523	09/2012	26,952	26,952	2,246	-	-	-	-
325582	1FUJA6CKX7LY49524	05/2012	26,952	26,952	2,246	-	-	-	-
324854	1FUJA6CK47LY49521	05/2013	24,780	24,780	24,780	2,065	-	-	-
324855	1FUJA6CK67LY49522	05/2013	24,780	24,780	24,780	2,065	-	-	-
13423	Rental # A4EC380620	09/2014	14,220	14,220	14,220	14,220	5,925	-	-
13424	Rental # A3EC380443	09/2014	14,220	14,220	14,220	14,220	5,925	-	-
13422	Rental # A3EC380225	09/2014	14,220	14,220	14,220	14,220	5,925	-	-
	Rental # A4EC380738		12,900						
344371-212772	Water dispenser Plant	09/2016	-	1,176	1,176	1,176	1,176	1,176	490
2550814	Water dispense Office	08/2016	-	1,512	1,512	1,512	1,512	1,512	504
344371-205533	Main Photocopier	11/2016	-	9,086	9,912	9,912	9,912	9,912	5,782
344371-205455	Plant & Sales Photocopier	11/2016	-	8,382	9,144	9,144	9,144	9,144	5,334
	<b>TOTALS</b>		<b>344,340</b>	<b>351,596</b>	<b>303,772</b>	<b>144,829</b>	<b>39,519</b>	<b>21,744</b>	<b>12,110</b>

PREPARED BY: LS

DATE: 2011-07-11

REVIEWED BY:

DATE:

**Schedule 1.1(hh)****Purchased Assets**

- 
1. All assets, undertakings and properties of the Vendor of every nature and kind whatsoever, and wherever situated, including without limitation the following:
    - 1.1. The Purchased Receivables;
    - 1.2. The Purchased Inventories;
    - 1.3. All goods other than goods listed in section 1.2 hereinabove that are held for sale, lease or rental (whether such goods are saleable, obsolete or damaged) in relation to the Business carried on by the Vendor including, materials and supplies;
    - 1.4. The Contracts;
    - 1.5. The Customer Contracts;
    - 1.6. The Equipment;
    - 1.7. The Vendor's Intellectual Property;
    - 1.8. All customer lists and lists of prospective customers and marketing and sales materials and databases not already included in the Vendor's Intellectual Property;
    - 1.9. All corporate names used by the Vendor;
    - 1.10. All rights, title and interest in orders on hand and other contractual arrangements with the customers to the extent that they can be assigned and that the Purchaser wishes to avail itself thereof;
    - 1.11. All the benefit of all unfulfilled orders received by and in favour of the Vendor;
    - 1.12. All other tangible and intangible assets and property used in connection with the Business;
    - 1.13. The exclusive right of the Purchaser to represent itself as carrying on such business in continuation of and in succession to the Vendor;
    - 1.14. All Books and Records;
    - 1.15. All plans, sketches and other documents related to (i) the operations of the Business and (ii) the customers of the Vendor;
    - 1.16. all other property, assets and rights, real or personal, tangible or intangible, owned by the Vendor or to which they are entitled to but excluding the Excluded Assets;

- 1.17. All R & D receivables, income tax receivables, tax refunds, deposit and deposit letters;
- 1.18. All the prepaid amounts related to:
  - 1.18.1. Insurance - Property and Liability
  - 1.18.2. Insurance – 2002 Ford
  - 1.18.3. Coface (receivables)
  - 1.18.4. Directors and Officers liability
  - 1.18.5. All the taxes (municipal, business and school) for all the Leased Premises
  - 1.18.6. CN non freight – tracts
  - 1.18.7. Canadiens hockey tickets
  - 1.18.8. Microsoft (Navision Licence)
- 1.19. The season tickets from Club de Hockey Canadien for the seats 104-J, #13 and #14 together with all the rights attached to said season tickets and any renewal thereof;
- 1.20. All the Equipment Operating Leases that the Purchaser wishes to avail itself thereof and not specifically an Excluded Assets as per Schedule 2.2 attached to this Agreement; and
- 1.21. The assets described in Schedule 5.1(o) of this Agreement.

**Schedule 1.1(mm)****Required Consents**

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1. All leases for the Leased Premises, being:
  - 1.1. 8785 Langelier Blvd., (Saint-Leonard) Montreal, Québec, H1P 2C9;
  - 1.2. 5675 Des Grandes-Prairies Blvd., (St-Leonard) Montreal, Québec, H1R 1B3;
  - 1.3. 7525 Henri Bourassa East, Montreal, Québec, H1E 1N9
2. All the Equipment Operating Leases that the Purchaser wishes to avail itself thereof;
3. Microsoft (Navision Licence); and
4. CN non freight - Leases.



Schedule 1.1(iii)

Vendor's Intellectual Property

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Canadian Trademarks

*See document attached  
Total of three (3) pages*

US Trademarks

*See document attached  
Total of one (1) page*

CANADIAN REGISTERED TRADEMARKS: DOMIFOAM

Trademark	Registration or application number	date of application ("A") or registration ("R")	Name of the current owner or applicant	Expiry date	Name of the agent	Status
1 SPRINGFLEX FOAM	1531270	A: 2011-06-10	Domifoam International Inc.		N/A	formalized on 2011-06-15 registered
2 CONTOUR-MATIC	LMC641558	R: 2005-06-07	Domifoam International Inc.	2020-06-07	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 2004-11-08 registered
3 VILLA	LMC203073	R: 1974-11-08	Domifoam International Inc.	2019-11-08	Stikeman Elliott LLP	renewed on 2004-11-08 registered
4 CUDDLE FOAM	LMC570966	R: 2002-11-20	Domifoam International Inc.	2017-11-20	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1997-08-27 registered
5 VELVAFOAM	LMC272231	R: 1982-08-27	Domifoam International Inc.	2012-08-27	Stikeman Elliott LLP	renewed on 1997-08-27 registered
6 ComfyCel	LMC623917	R: 2004-10-28	Domifoam International Inc.	2019-10-28	N/A	renewed on 1999-02-24 registered
7 SPECTRUM	LMC288288	R: 1984-02-24	Domifoam International Inc.	2014-02-24	Stikeman Elliott LLP	renewed on 1997-07-16 registered
8 INSULGARD	LMC271131	R: 1982-07-15	Domifoam International Inc.	2012-07-15	Stikeman Elliott LLP	renewed on 1999-06-22 registered
9 CELCOR	LMC292308	R: 1984-06-22	Domifoam International Inc.	2014-06-22	Stikeman Elliott LLP	renewed on 2005-03-14 registered
10 PRO-BOND	LMC205857	R: 1975-03-14	Domifoam International Inc.	2020-03-14	Stikeman Elliott LLP	renewed on 2011-06-30 registered
11 DOMIFOAM	LMC145969	R: 1966-06-30	Domifoam International Inc.	2026-06-30	Stikeman Elliott LLP	renewed on 2005-03-14 registered
12 LODGE	LMC205858	R: 1975-03-14	Domifoam International Inc.	2020-03-14	Stikeman Elliott LLP	renewed on 2004-11-01 registered
13 CHÂTEAU	LMC202908	R: 1974-11-01	Domifoam International Inc.	2019-11-01	Stikeman Elliott LLP	renewed on 2004-11-01 registered
14 RoyalCel	LMC624903	R: 2004-11-08	Domifoam International Inc.	2019-11-08	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1999-03-16 registered
15 EXCALIBUR	LMC289023	R: 1984-03-16	Domifoam International Inc.	2014-03-16	Stikeman Elliott LLP	renewed on 2004-11-01 registered
16 RIVIERA	LMC202909	R: 1974-11-01	Domifoam International Inc.	2019-11-01	Stikeman Elliott LLP	renewed on 2002-12-24 registered
17 PERMA-BOND	LMC180311	R: 1971-12-24	Domifoam International Inc.	2016-12-24	Stikeman Elliott LLP	renewed on 2001-12-24 registered
18 Snuggie-Pedic	LMC644665	R: 2005-07-19	Domifoam International Inc.	2020-07-19	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1997-12-31 registered
19 VELTEX	LMC275264	R: 1982-12-31	Domifoam International Inc.	2012-12-31	Stikeman Elliott LLP	renewed on 1997-12-31 registered
20 FREEDOM FOAM	LMC729834	R: 2008-12-01	Domifoam International Inc.	2023-12-01	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 2001-12-24 registered
21 BIOPLUSH	LMC729835	R: 2008-12-01	Domifoam International Inc.	2023-12-01	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 2001-12-24 registered
22 Hug-A-Pedic	LMC665748	R: 2006-06-06	Domifoam International Inc.	2021-06-06	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1999-08-17 registered
23 NORTHERN TREASURE	LMC638221	R: 2005-04-25	Domifoam International Inc.	2020-04-25	Stikeman Elliott LLP	renewed on 2001-12-24 registered
24 LA COLLECTION ZODIAC	LMC294245	R: 1984-08-17	Domifoam International Inc.	2014-08-17	Stikeman Elliott LLP	renewed on 2000-01-11 registered
25 WUNDER-BOND	LMC180310	R: 1971-12-24	Domifoam International Inc.	2016-12-24	Stikeman Elliott LLP	renewed on 1999-06-22 registered
26 BONDEX	LMC298957	R: 1985-01-11	Domifoam International Inc.	2015-01-11	Stikeman Elliott LLP	renewed on 2012-02-26 registered
27 QUANTUM	LMC292311	R: 1984-06-22	Domifoam International Inc.	2014-06-22	Stikeman Elliott LLP	renewed on 2012-02-26 registered
28 MAGNUM	LMC266867	R: 1982-02-26	Domifoam International Inc.	2027-02-26	Stikeman Elliott LLP	renewed on 2012-02-26 registered
29 VISCOMAGIC Memory Fo	LMC688655	R: 2007-05-31	Domifoam International Inc.	2022-05-31	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1999-05-11 registered
30 Cuddle-Pedic	LMC644418	R: 2005-07-14	Domifoam International Inc.	2020-07-14	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1999-05-11 registered
31 ZODIAC COLLECTION	LMC290846	R: 1984-05-11	Domifoam International Inc.	2014-05-11	Stikeman Elliott LLP	renewed on 1999-05-11 registered

CANADIAN CANCELLED OR ABANDONED TRADEMARKS: DOMIFOAM

	Trademark	Registration or application number	date of A or R	Name of the current owner or applicant	date of cancellation or abandonment	Name of the agent
1	DOMIFOAM MAPLE LEAF & DESIGN	LMC375564	R: 1990-11-09	Domifoam International Inc.	2006-07-06	Stikeman Elliott LLP
2	VISCOPLUSH	1460194	A: 2009-11-19	Domifoam International Inc.	2010-12-17	Jim Sproule, A-Z Sponges & Foam Products Ltd.
3	SECURIFOAM & DESIGN	832300	A: 1996-12-20	Domifoam International Inc.	2001-01-10	Stikeman Elliott LLP
4	NIMBUS	495427	A: 1982-11-26	Domifoam Inc.	1983-01-28	Seal, Shaposnick
5	PROTECT-A-RUG	LMC177017	R: 1971-07-23	Domifoam Inc.	1986-09-10	Seal, Shaposnick
6	STRATUS	495428	A: 1982-11-26	Domifoam Inc.	1983-12-19	Seal, Shaposnick
7	FLAREX	LMC205782	R: 1975-03-07	Domifoam Inc.	1990-04-27	Seal, Shaposnick
8	CFC & DESIGN	LMC203684	R: 1974-12-06	Domifoam International Inc.	2005-07-21	Stikeman Elliott LLP
9	HABITAT	500121	A: 1983-03-11	Domifoam Inc.	1986-08-22	Seal, Shaposnick
10	UROCELL HR	LMC203776	R: 1974-12-06	Domifoam International Inc.	2005-07-21	Stikeman Elliott LLP
11	Domifoam & design	LMC375563	R: 1990-11-09	Domifoam International Inc.	2006-07-06	Stikeman Elliott LLP
12	SUNRISE	LMC264104	R: 1981-11-06	Domifoam International Inc.	1997-07-08	Stikeman Elliott LLP
13	ALTO-CUMULUS	495426	A: 1982-11-26	Domifoam Inc.	1983-12-19	Seal, Shaposnick
14	CUMULUS	495425	A: 1982-11-26	Domifoam Inc.	1983-12-19	Seal, Shaposnick
15	EVER-BOND	LMC184974	R: 1972-08-18	Domifoam Inc.	1987-10-02	Seal, Shaposnick
16	VISCOAIRE	1204369	A: 2004-01-22	Domifoam International Inc.	2005-02-14	N/A
17	FlexCel	1198594	A: 2003-12-02	Domifoam International Inc.	2005-03-08	Jim Sproule, A-Z Sponges & Foam Products Ltd.
18	PINK PANTHER	LMC236776	R: 1979-10-19	Domifoam Inc.	1990-03-16	Seal, Shaposnick
19	CIRRUS	495429	A: 1982-11-26	Domifoam Inc.	1984-01-06	Seal, Shaposnick

CANADIAN SEARCH OF TRADEMARKS: DOMFOAM

Trademark	Application number	date	Name of the applicant	Status
GELFLEX	1518007	2011-03-07	Domfoam International Inc.	Notice of approbation sent on 2011-10-31

US REGISTERED TRADEMARK : DOMFOAM

Trademark	Serial number	Registration date	Name of the current owner or applicant	Expiry date	Name of the agent	Status
1 NORTHERN TREASURE	78508999	2005-12-13	Domfoam International Inc.	2015-12-13	Lawrence H. Meier	registered

US CANCELLED TRADEMARK : DOMFOAM

Trademark	Serial number	date of application	Name of the current owner or applicant	date of cancellation or abandonment	Name of the agent
1 CUDDLE FOAM	78219889	2003-02-27	Domfoam International Inc.	2004-02-11	N/A
2 SECURIFOAM & DESIGN	75311611	1997-06-19	Domfoam International Inc.	2000-10-12	Jess M Collen

## Schedule 2.2

## Excluded Assets

- 
1. The Purchaser acknowledges and agrees that the following assets shall be considered excluded of the Transaction:
    - 1.1. The accounts payable, except as otherwise provided in this Agreement;
    - 1.2. The tax losses, except as otherwise provided in this Agreement;
    - 1.3. The cash on hand or on deposit with banks or other depositaries;
    - 1.4. The debts due to the Vendor from any shareholder, director, officer or employee of the Vendor or any other person who does not deal at arm's length with the Vendor;
    - 1.5. The following Equipment Operating Leases:
      - 1.5.1. Ryder – Lease No. 332467 - 1FUJA6CK97LY49529
      - 1.5.2. Ryder – Lease No. 332468 - 1FUJA6CK57LY49530
      - 1.5.3. Ryder – Lease No. 332469 - 1FUJA6CK77LY49531
      - 1.5.4. Ryder – Lease No. 329316 - 1FUJA6CK37LY49526
      - 1.5.5. Ryder – Lease No. 329317 - 1FUJA6CK57LY49527
      - 1.5.6. Ryder – Lease No. 329318 - 1FUJA6CK77LY49528
      - 1.5.7. Ryder – Lease No. 336256 - 1HTSCAAMXXH227668
      - 1.5.8. Ryder – Lease No. 336257 - 1FUJA6CK97LY61325
      - 1.5.9. Ryder – Lease No. 336256 - 1FUJA6CK77LY61324
      - 1.5.10. Ryder – Lease No. 325581 - 1FUJA6CK87LY49523
      - 1.5.11. Ryder – Lease No. 325582 - 1FUJA6CKX7LY49524
      - 1.5.12. Ryder – Lease No. 324854 - 1FUJA6CK47LY49521
      - 1.5.13. Ryder – Lease No. 324855 - 1FUJA6CK67LY49522
      - 1.5.14. Toshiba - Lease No. 344371-205533 – Main photocopieur
      - 1.5.15. Toshiba - Lease No. 344371-205455 - Plant & Sales Photocopier
    - 1.6. The shares issued and outstanding of the capital of "VALLE FOAM INDUSTRIES (1995) INC." registered in the name of the Purchaser; and
    - 1.7. The shares issued and outstanding of the capital of "A-Z SPONGE & FOAM PRODUCTS LTD." registered in the name of the Purchaser.

**Schedule 2.6**  
**Assumed Obligations**

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1. The obligation of the Vendor under the Contracts as of the Time of Closing; and
2. The obligation of the Vendor under the Customer Contracts as of the Time of Closing;

Schedule 2.9(A)  
Purchased Receivables

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Section 1

List of Purchased Receivables as of December 16, 2011.

*See document attached  
Total of eighteen (18) pages*

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Section 2

Calculation of the Purchase Price attributed to the Purchased Receivables

*See document attached  
Total of nine (9) pages*



**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 1  
rosjle

(Summary, aged as of December 16, 2011)  
Aged by document date.

Amounts are in the customer's local currency (report totals are in US Dollars for US accounts only).

No.	Name	Credit Limit	Balance Due	Current	Aged Customer Balances		
					31 - 60 Days	61 - 90 Days	Over 90 Days
00157	VEN REZ PRODUITS Net 60 Days Amounts are in CAD	Phone No.	902-875-3178 x.	Contact	Salesperson Code	010	
		25,000	1,537.95	1,537.95 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
00202	BUGATTI DESIGN INC. 5% 10 Days Net 60 Amounts are in CAD	Phone No.	514-328-8553 x.	Contact	Salesperson Code	008	
		25,000	23,785.28	23,785.28 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
00284	AMEUBLEMENT DE BUREAU Net 60 Days Amounts are in CAD	Phone No.	418-883-2338 x.	Contact	Salesperson Code	003	
		5,000	1,777.86	1,777.86 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
00291	DINE ART INC. Net 60 Days Amounts are in CAD	Phone No.	514-326-3930 x.	Contact	Salesperson Code	004	
		15,000	4,928.41	1,009.95 20.50%	3,916.46 79.50%	0.00 0.00%	0.00 0.00%
10005	ELRAN 2% FM 15 Amounts are in CAD	Phone No.	514-630-5656 x.23	Contact	Salesperson Code	005	
		500,000	444,567.32	275,662.74 62.01%	168,838.16 37.98%	66.42 0.01%	0.00 0.00%
10020	LBC CANADA INC 3% 30 Days / 2% 60 Amounts are in CAD	Phone No.	514-744-9060 x.32	Contact	Salesperson Code	004	
		350,000	186,577.95	162,183.98 86.93%	22,341.95 11.97%	2,052.02 1.10%	0.00 0.00%
10024	AIRWAY SURGICAL APPLICA 60 Jours/Days Amounts are in CAD	Phone No.	613-723-4790 x.	Contact	Salesperson Code	003	
		5,000	1,875.34	1,875.34 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10052	ALPHAVIC INC. Net 60 Days Amounts are in CAD	Phone No.	819-758-3739	Contact	Salesperson Code	004	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM

Page 2

rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		30,000	6,103.22	5,490.02	613.20	0.00	0.00
				89.95%	10.05%	0.00%	0.00%
10072	<b>KRAUS CANADA INC (HO)</b> 2% 45 Days Amounts are in CAD	Phone No.	204-633-1020 x.	Contact	Salesperson Code	008	
		975,000	561,566.11	245,626.62	308,164.03	7,775.46	0.00
				43.74%	54.88%	1.38%	0.00%
10136	<b>BOBLEN INC.</b> 2% 30 Days Net 31 Amounts are in CAD	Phone No.	514-523-8163 x.	Contact	Salesperson Code	004	
		50,000	13,613.58	13,613.58	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
10145	<b>MATELAS BOURCK ENRG.</b> 60 Jours/Days Amounts are in CAD	Phone No.	450-477-2733 x.	Contact	Salesperson Code	003	
		25,000	6,887.10	3,534.14	3,332.96	0.00	0.00
				51.46%	48.54%	0.00%	0.00%
10222	<b>MATELAS CONDOR ENRG.</b> 2% 10 Days Net 30 Amounts are in CAD	Phone No.	418-248-5611	Contact	Salesperson Code	003	
		30,000	1,761.97	1,761.97	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
10244	<b>MATELAS DAUPHIN INC.</b> 2% 30 Days Net 31 Amounts are in CAD	Phone No.	418-832-2951 x.	Contact	Salesperson Code	005	
		175,000	39,109.17	39,109.17	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
10273	<b>DOUBLETEX INC.</b> 2% 30 Days Net 31 Amounts are in CAD	Phone No.	514-382-1770 x.	Contact	Salesperson Code	008	
		175,000	4,526.18	5,004.10	-477.92	0.00	0.00
				110.56%	-10.56%	0.00%	0.00%
10303	<b>CINE SIEGE 91741462 QUE IN</b> 60 Jours/Days Amounts are in CAD	Phone No.	450-437-9468 Cell	Contact	Salesperson Code	003	
		5,000	1,299.88	1,299.88	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
10305	<b>BENNETT FLEET (QUEBEC) IN</b> 60 Jours/Days Amounts are in CAD	Phone No.	418-681-4163 x.	Contact	Salesperson Code	005	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM

Page 3  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		40,000	6,351.09	3,151.98 49.83%	3,199.11 50.37%	0.00 0.00%	0.00 0.00%
10351	<b>IDEALCHEST INC.</b> 60 Jours/Days Amounts are in CAD	Phone No.	819-752-6514 x.	Contact	Salesperson Code	004	
		5,000	4,080.58	0.00 0.00%	4,080.58 100.00%	0.00 0.00%	0.00 0.00%
10358	<b>COURT 1 SPORTS INC</b> 2% 10 Days Net 60 Amounts are in CAD	Phone No.	514-731-3607 x.	Contact	Salesperson Code	004	
		30,000	14,207.67	14,207.67 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10371	<b>SYLCO INC. AROLD CONTR</b> Net 75 Days Amounts are in CAD	Phone No.	450-772-2451 Dall	Contact	Salesperson Code	005	
		55,000	35,701.31	6,474.40 18.13%	9,681.70 27.12%	17,965.21 50.32%	1,580.00 4.43%
10378	<b>LITERIE LAVAL</b> Net 45 Days Amounts are in CAD	Phone No.	450-683-5921 x.	Contact	Salesperson Code	003	
		10,000	5,853.54	1,262.45 21.57%	2,899.72 49.54%	1,691.37 28.89%	0.00 0.00%
10379	<b>MATELAS LAVIOLETTE INC.</b> 60 Jours/Days Amounts are in CAD	Phone No.	418-385-7518	Contact	Salesperson Code	003	
		50,000	3,792.11	3,792.11 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10384	<b>TEXTILES LETOURNEAU</b> 2% 45 Days Amounts are in CAD	Phone No.	418-653-1198 x.	Contact	Salesperson Code	005	
		75,500	25,894.11	12,593.46 48.63%	13,300.65 51.37%	0.00 0.00%	0.00 0.00%
10385	<b>MATELAS LION D'OR INC.</b> 2% 30 Days Net 31 Amounts are in CAD	Phone No.	418-549-5466 x.	Contact	Salesperson Code	005	
		75,000	6,402.94	6,402.94 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10387	<b>LITERIE DRUMMOND LTEE</b> Net 60 Days Amounts are in CAD	Phone No.	819-474-1331 x.	Contact RICHARD DORAIS	Salesperson Code	004	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 4  
rosjle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		30,000	10,299.72	2,586.26 25.11%	1,346.93 13.08%	8,366.53 61.81%	0.00 0.00%
10413	<b>MATELAS MARTIN</b> Net 90 Days Amounts are in CAD		Phone No. 514-381-2586	Contact		Salesperson Code 005	
		375,000	105,581.27	42,838.52 40.57%	54,679.53 51.79%	8,063.22 7.64%	0.00 0.00%
10426	<b>CANADEL</b> 2.5% 20 Days Amounts are in CAD		Phone No. 819-228-8471 x.	Contact		Salesperson Code 003	
		35,000	2,055.49	2,055.49 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10494	<b>REMBOURRAGE A.N.P.</b> 60 Jours/Days Amounts are in CAD		Phone No. 819-364-2644 x.	Contact		Salesperson Code 004	
		50,000	24,323.20	23,806.80 97.05%	716.40 2.95%	0.00 0.00%	0.00 0.00%
10502	<b>LITERIE PROVINCIALE LTEE</b> Net 60 Days Amounts are in CAD		Phone No. 514-846-2552 x.	Contact		Salesperson Code 004	
		50,000	7,745.37	2,802.32 36.18%	2,021.16 26.10%	2,921.89 37.72%	0.00 0.00%
10509	<b>AMEUBLEMENT RENAISSANC</b> 60 Jours/Days Amounts are in CAD		Phone No. 450-662-6063 x.	Contact		Salesperson Code 003	
		15,000	2,927.45	947.59 32.37%	1,979.86 67.63%	0.00 0.00%	0.00 0.00%
10510	<b>MATELAS RENE INC.</b> 5% 30 Days Amounts are in CAD		Phone No. 819-293-6171	Contact		Salesperson Code 005	
		50,000	20,010.74	20,010.74 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10521	<b>REMB LOUIS ROUSSEAU INC.</b> 60 Jours/Days Amounts are in CAD		Phone No. 418-524-1480 x.	Contact		Salesperson Code 003	
		15,000	1,628.52	1,628.52 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10545	<b>SEAWAY PLASTICS LTEE</b> 60 Jours/Days Amounts are in CAD		Phone No. 514-837-2323 x.	Contact		Salesperson Code 004	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 5  
rosjle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		60,000	11,761.06	11,761.06 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10547	SERV. CORR. DU CANADA 60 Jours/Days Amounts are in CAD	Phone No. 35,000	450-664-1320 x. 21,254.28	Contact Salesperson Code 005 8,743.10 41.14%	12,667.25 59.60%	-156.07 -0.73%	0.00 0.00%
10551	GESCO LTD PARTNERSHIP 2% 30 Days Net 31 Amounts are in CAD	Phone No. 600,000	905-789-3755 85,471.05	Contact Salesperson Code 008 78,196.84 92.68%	6,274.21 7.34%	0.00 0.00%	0.00 0.00%
10570	SPORT MASKA INC. 90 Days Amounts are in CAD	Phone No. 20,000	514-461-8000 1,918.01	Contact Salesperson Code 005 0.00 0.00%	1,918.01 100.00%	0.00 0.00%	0.00 0.00%
10579	TAPITEC INC. 2% 30 Days Net 31 Amounts are in CAD	Phone No. 20,000	514-334-8101 x. 1,521.58	Contact Salesperson Code 002 1,521.58 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10585	SUBAR Net 90 Days Amounts are in CAD	Phone No. 325,000	514-337-0615 205,310.01	Contact Salesperson Code 005 49,450.11 24.09%	60,612.38 29.52%	55,319.91 26.94%	39,927.61 19.45%
10595	TRANS-CANADA INDUSTRIES 90 Days Amounts are in CAD	Phone No. 6,000	450-681-4230 x. 168.44	Contact Salesperson Code 003 168.44 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
10737	FUTON 7TH HEAVEN UTOPIA 3% 15 Days Amounts are in CAD	Phone No. 5,000	819-595-3329 C61 800.23	Contact Salesperson Code 003 369.30 46.15%	430.93 53.85%	0.00 0.00%	0.00 0.00%
10745	STM (COMPTES FOURNISSE 60 Jours/Days Amounts are in CAD	Phone No. 514-280-4923 x.	Contact Salesperson Code 003				

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 6  
rosle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Current	Aged Customer Balances		
					31 - 60 Days	61 - 90 Days	Over 90 Days
		5,000	1,303.39	1,303.39	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
10766	<b>DIRECT SALES</b> Cash on delivery Amounts are in CAD	Phone No.	514-325-8120 x27	Contact			
					Salesperson Code	006	
		No Limit	-9,021.34	-8,783.24	-238.10	0.00	0.00
				97.36%	2.64%	0.00%	0.00%
10823	<b>SLEEPTEK MFG LTEE</b> Net 60 Days Amounts are in CAD	Phone No.	613-727-6235 x.	Contact			
					Salesperson Code	003	
		5,000	187.26	0.00	187.26	0.00	0.00
				0.00%	100.00%	0.00%	0.00%
10848	<b>PRINCESSE</b> Net 60 Days Amounts are in CAD	Phone No.	514-643-1585 x.	Contact			
					Salesperson Code	005	
		45,000	11,753.80	3,042.98	8,156.27	554.57	0.00
				25.89%	69.39%	4.72%	0.00%
10982	<b>MATELAS HORIZONTALE</b> Net 30 Days Amounts are in CAD	Phone No.	450-477-5538 x.	Contact			
					Salesperson Code	003	
		10,000	468.28	468.28	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
11049	<b>LITERIE SEDUCTION INC</b> 2% 30 Days Net 31 Amounts are in CAD	Phone No.	514-933-5593 x.	Contact			
					Salesperson Code	003	
		40,000	4,150.02	4,150.02	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
11150	<b>PROFOM INC.</b> 60 Jours/Days Amounts are in CAD	Phone No.	450-967-4310 x.	Contact			
					Salesperson Code	003	
		15,000	7,700.62	6,417.18	1,283.44	0.00	0.00
				83.33%	16.87%	0.00%	0.00%
11155	<b>JARDIN DE VILLE INC.</b> 60 Jours/Days Amounts are in CAD	Phone No.	450-435-6046	Contact			
					Salesperson Code	005	
		27,000	84.30	84.30	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
11164	<b>D &amp; R FOAM</b> 5% 10 Days Net 60 Amounts are in CAD	Phone No.	450-665-5701	Contact			
					Salesperson Code	005	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 7  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Current	Aged Customer Balances		
					31 - 60 Days	61 - 90 Days	Over 90 Days
		175,000	20,376.34	20,376.34 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11177	TISSUS MORICO INC. 90 Days Amounts are in CAD	Phone No.	514-257-1878	Contact	Salesperson Code	005	
		150,000	110,824.59	21,818.08 19.69%	38,169.57 34.44%	29,391.52 26.52%	21,447.44 19.35%
11197	MSCM INC. 3% 20 Days Amounts are in CAD	Phone No.	418-248-2155 x.	Contact	Salesperson Code	003	
		2,000	218.74	218.74 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11209	REMI CARRIER INC. 3% 45 Days Amounts are in CAD	Phone No.	514-259-3771 x.	Contact	Salesperson Code	005	
		100,000	39,611.48	35,736.83 90.22%	3,874.65 9.78%	0.00 0.00%	0.00 0.00%
11210	PROQUAI INC. 60 Jours/Days Amounts are in CAD	Phone No.	450-449-4958 x.	Contact	CHRISTAN Salesperson Code	005	
		25,000	13,547.92	7,906.23 58.36%	5,438.49 40.14%	203.20 1.50%	0.00 0.00%
11288	ROUILLARD INC. 3% 30 Days Net 60 Amounts are in CAD	Phone No.	418-663-1411 x.	Contact	Salesperson Code	003	
		85,000	29,488.04	29,488.04 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11276	STEERS GROUP LIMITED 30 2% 30 Days Net 31 Amounts are in CAD	Phone No.	709-637-7100 x.	Contact	Salesperson Code	014	
		60,000	-1,972.98	-1,972.98 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11289	MATELAS SIESTA Net 75 Days Amounts are in CAD	Phone No.	450-444-5450 x.	Contact	Salesperson Code	005	
		35,000	17,461.82	4,953.34 28.37%	10,856.29 62.17%	1,652.19 9.46%	0.00 0.00%
11399	SIEGES DUCHARME INTERNA Net 75 Days Amounts are in CAD	Phone No.	514-328-2772 x.	Contact	Salesperson Code	005	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 8  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		150,000	85,252.12	7,920.09 9.29%	12,009.68 14.00%	19,158.04 22.47%	46,164.31 54.15%
11409	<b>CSTB INC</b> 60 Jours/Days Amounts are in CAD	Phone No. 20,000	418-228-7431 x. 359.50	Contact 359.50 100.00%	Salesperson Code 003 0.00 0.00%	0.00 0.00%	0.00 0.00%
11415	<b>ROCKLAND TEXTILES INC.</b> 60 Jours/Days Amounts are in CAD	Phone No. 30,000	613-526-0333 x. 13,484.59	Contact 6,326.34 46.92%	Salesperson Code 003 7,158.25 53.08%	0.00 0.00%	0.00 0.00%
11421	<b>LES MEUBLES VANTAGE 1000</b> Net 60 Days Amounts are in CAD	Phone No. 38,000	514-273-2441 x. 10,531.09	Contact 5,685.18 53.98%	Salesperson Code 004 2,828.41 26.86%	2,017.50 19.16%	0.00 0.00%
11457	<b>MATELAS PRESTIGE</b> 3% 15 Days Amounts are in CAD	Phone No. 75,000	450-491-7717 x. 10,338.70	Contact 10,338.70 100.00%	Salesperson Code 003 0.00 0.00%	0.00 0.00%	0.00 0.00%
11474	<b>PROFIL PLUS 156124 CANADA</b> 60 Jours/Days Amounts are in CAD	Phone No. 15,000	514-493-6113 x. 1,129.38	Contact 1,129.38 100.00%	Salesperson Code 004 0.00 0.00%	0.00 0.00%	0.00 0.00%
11556	<b>KOUTOU LTEE</b> 60 Jours/Days Amounts are in CAD	Phone No. 2,000	819-478-9032 x. 426.08	Contact 426.08 100.00%	Salesperson Code 004 0.00 0.00%	0.00 0.00%	0.00 0.00%
11558	<b>QUATRO TECHNOLOGIES INC</b> Net 45 Days Amounts are in CAD	Phone No. 10,000	514-630-4444 x. 3,419.53	Contact 2,159.46 63.15%	Salesperson Code 006 1,000.83 29.26%	259.44 7.59%	0.00 0.00%
11577	<b>ARTOPEX PLUS INC.</b> 2% 30 Days Net 31 Amounts are in CAD	Phone No.	450-973-9655 ext	Contact	Salesperson Code 003		



Aged Accounts Receivable  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 9  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		35,000	5,448.30	5,400.59 99.12%	0.00 0.00%	47.71 0.88%	0.00 0.00%
11580	FUTON DESIGN 60 Jours/Days Amounts are in CAD	Phone No.	418-659-4111	Contact	Salesperson Code	003	
		20,000	1,304.56	1,304.56 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11627	PRO TAC INDUSTRIES INC. 60 Jours/Days Amounts are in CAD	Phone No.	819-229-1869	Contact	Salesperson Code	003	
		3,000	1,672.29	1,672.29 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11665	BOZANTO INC. Net 90 Days Amounts are in CAD	Phone No.	514-630-3320 x.	Contact	Salesperson Code	004	
		400,000	191,033.24	127,318.00 66.65%	63,715.24 33.35%	0.00 0.00%	0.00 0.00%
11676	LITERIE DORMATEX INC. 60 Jours/Days Amounts are in CAD	Phone No.	322-4992 Emilio 3 *** Over Limit ***	Contact	EMILIO 514 323-7741 Salesperson Code	003	
		50,000	66,113.96	15,959.58 24.14%	24,114.35 36.47%	26,040.05 39.39%	0.00 0.00%
11682	VALLE FOAM INDUSTRIES IN 3% 45 Days Amounts are in CAD	Phone No.	905-453-8054 x.	Contact	Salesperson Code	006	
		1,750,000	273,212.75	273,212.75 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11714	TRICA Net 60 Days Amounts are in CAD	Phone No.	800-273-4897 x.	Contact	Salesperson Code	003	
		75,000	4,897.05	4,978.16 101.66%	-81.11 -1.66%	0.00 0.00%	0.00 0.00%
11724	FUTON S.V.P QUEBEC INC. 2% 15 Days Amounts are in CAD	Phone No.	514-945-9354	Contact	Salesperson Code	004	
		10,000	1,084.98	1,084.98 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
11731	CHAISES RAY L INC. CWO-60 Days Amounts are in CAD	Phone No.	819-583-4993 x.	Contact	Salesperson Code	006	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 10  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		5,000	620.89	620.89	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
11738	REHAU INDUSTRIES INC. 60 Jours/Days Amounts are in CAD	Phone No. 10,000	703-777-5255 2,411.59	Bai 2,411.59	Contact 0.00	Salesperson Code 004 0.00	0.00
				100.00%	0.00%	0.00%	0.00%
11779	MANUFACTURE DE MATELAS 2% 30 Days Net 31 Amounts are in CAD	Phone No. 30,000	418-774-8696 x. 15,222.50	Contact 15,222.50	Salesperson Code 003 0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
11828	COMFORT FOAM & FIBRE 3% 45 Days Amounts are in CAD	Phone No. 50,000	902-468-8590 x. 7,221.16	Contact 5,222.21	Salesperson Code 010 1,998.95	0.00	0.00
				72.32%	27.68%	0.00%	0.00%
11833	MATELAS SELECT 60 Jours/Days Amounts are in CAD	Phone No. 25,000	418-388-2961 5,322.30	Contact 1,363.63	Salesperson Code 010 3,958.67	0.00	0.00
				25.62%	74.38%	0.00%	0.00%
11844	PEL INTERNATIONAL LTEE 3% 10 Days Net 30 Amounts are in CAD	Phone No. 45,000	1-450-889-5564 x. 2,612.14	Contact 2,612.14	DAIL 1 BEFORE NUMBE 0.00	Salesperson Code 003 0.00	0.00
				100.00%	0.00%	0.00%	0.00%
11848	INDUSPAC INC. Net 75 Days Amounts are in CAD	Phone No. 100,000	450-510-0450 514- 68,673.88	Contact 24,848.10	Salesperson Code 004 41,825.78	0.00	0.00
				37.27%	62.73%	0.00%	0.00%
11859	WESTBORO FLOORING INC 2% 30 Days Net 31 Amounts are in CAD	Phone No. 35,000	613-226-3830 x. 15,513.82	Contact 11,812.62	Salesperson Code 002 3,701.20	0.00	0.00
				76.14%	23.86%	0.00%	0.00%
11914	EXCEL RSVC MOUSSE FOAM 60 Jours/Days Amounts are in CAD	Phone No.	819-775-2796 x.	Contact	Salesperson Code 003		

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM

Page 11  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		60,000	60,867.85	15,825.95 31.11%	35,041.90 88.89%	0.00 0.00%	0.00 0.00%
11924	MATELAS D'OR 9053-9834 Q Net 75 Days Amounts are in CAD	200,000	272,757.02	66,501.75 24.38%	51,915.82 19.03%	105,251.88 38.59%	49,087.57 18.00%
	Phone No. 1-450-889-5263 (S) Contact Salesperson Code 003 *** Over Limit ***						
11927	MEUBLES BELISLE INC. 60 Jours/Days Amounts are in CAD	95,000	74,578.58	24,749.61 33.19%	35,064.86 47.02%	14,764.11 19.80%	0.00 0.00%
	Phone No. 1-450-269-2986 D Contact Salesperson Code 005						
11948	MEUBLES TOMALI INC. 30 Jours/Days Amounts are in CAD	10,000	1,899.38	1,899.38 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
	Phone No. 819-268-3435 x. Contact Salesperson Code 003						
11974	STYLTEC INC. 3% 10 Days Net 30 Amounts are in CAD	7,000	-10.77	-10.77 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
	Phone No. 418 683 8287 Contact Salesperson Code 003						
11976	MATELAS ORTHOPEDIQUE 60 Jours/Days Amounts are in CAD	50,000	21,283.04	9,567.88 44.96%	10,934.82 51.38%	780.34 3.67%	0.00 0.00%
	Phone No. 418-427-2222 x. Contact Salesperson Code 003						
11979	BELPRO MEDICAL INC 2% 10 Days Net 30 Amounts are in CAD	35,000	37,819.79	29,256.47 77.36%	8,563.32 22.64%	0.00 0.00%	0.00 0.00%
	Phone No. 514-353-8655 x. Contact Salesperson Code 003 *** Over Limit ***						
11982	DIAMOND DIVERSIFIED IND. L 2% 30 Days Net 31 Amounts are in CAD	75,000	-290.90	-290.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
	Phone No. 888-833-2233 x. Contact Salesperson Code 006						
12021	SEARS CANADA INC. 2.14% 45 Days Net Amounts are in CAD						
	Phone No. 416-343-5672 Contact Salesperson Code 018						

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM

Page 12  
rosjle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		45,000	14,848.84	9,942.70 68.96%	4,906.24 33.04%	0.00 0.00%	0.00 0.00%
12040	<b>SEARS FLOOR COV CTR C00-2% 30 Days Net 31</b> Amounts are in CAD	Phone No.	450-465-7700	Contact	Salesperson Code	002	
		8,000	366.84	366.84 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12101	<b>CRE O PACK INTERNATIONAL</b> 60 Jours/Days Amounts are in CAD	Phone No.	514-343-9666 x.	Contact	Salesperson Code	006	
		15,000	965.55	193.12 20.00%	772.43 80.00%	0.00 0.00%	0.00 0.00%
12102	<b>A Z SPONGE &amp; FOAM</b> Net 60 Days Amounts are in CAD	Phone No.	604-525-1665 x.	Contact	Salesperson Code	006	
		125,000	43,763.01	42,401.42 96.89%	1,361.59 3.11%	0.00 0.00%	0.00 0.00%
12104	<b>AD MATS CORPORATION</b> Net 75 Days Amounts are in CAD	Phone No.	800-971-0205	Contact	Salesperson Code	004	
		65,000	51,467.33	24,206.76 47.03%	19,528.65 37.94%	7,731.92 15.02%	0.00 0.00%
12122	<b>ATLANTIC FABRICS LIMITED</b> Net 75 Days Amounts are in CAD	Phone No.	902-434-1440 x.	Contact	Salesperson Code	010	
		40,000	3,475.36	0.00 0.00%	3,475.36 100.00%	0.00 0.00%	0.00 0.00%
12146	<b>MATELAS BEAU REVE INC</b> Net 60 Days Amounts are in CAD	Phone No.	450-682-8189	Contact	Salesperson Code	003	
		20,000	18,805.74	7,021.75 37.34%	4,640.01 24.67%	6,094.32 32.41%	1,049.68 5.58%
12150	<b>REMBOURRAGE J A MARTINE</b> 60 Jours/Days Amounts are in CAD	Phone No.	819-395-4924 x.	Contact	Salesperson Code	004	
		50,000	465.67	465.67 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12158	<b>BARRY SUPPLIES &amp; FABRIC I</b> Net 75 Days Amounts are in CAD	Phone No.	514-340-3663 x.	Contact	Salesperson Code	005	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 13  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		175,000	15,916.75	15,916.75 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12230	WESCO NA INC Net 60 Days Amounts are in CAD	Phone No. 40,000	819-384-5602 11,650.90	Contact Salesperson Code 004 2,684.44 23.04%	6,490.80 55.71%	2,475.66 21.25%	0.00 0.00%
12242	SPORT SYSTEMS CANADA IN Net 60 Days Amounts are in CAD	Phone No. 10,000	613-258-1112 13,016.75 *** Over Limit ***	Contact Salesperson Code 003 5,381.97 41.35%	7,633.78 58.65%	0.00 0.00%	0.00 0.00%
12253	BEAULIEU CANADA 2% 30 Days Net 31 Amounts are in CAD	Phone No. 175,000	1-450-546-5000 10,534.87	Contact Salesperson Code 002 6,621.55 62.85%	3,913.32 37.15%	0.00 0.00%	0.00 0.00%
12258	TEC INNOVATIONS Net 30 Days Amounts are in CAD	Phone No. 30,000	(819) 566-0558 9,242.92	Contact Salesperson Code 003 9,242.92 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12270	COUTURE CARLYLE INC. CW Posted Date Chequ Amounts are in CAD	Phone No. 7,500	514-271-8789 948- 4,991.52	Contact Salesperson Code 006 4,991.52 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12277	DOMINION CUTTING SERVICE Net 75 Days Amounts are in CAD	Phone No. 15,000	514-270-4118 1,884.32	Contact Salesperson Code 004 747.35 39.66%	1,136.97 60.34%	0.00 0.00%	0.00 0.00%
12282	VICLINE 2006 INC. 2% 45 Days Amounts are in CAD	Phone No. 50,000	800-455-2344 3,069.13	Contact Salesperson Code 004 3,069.13 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12290	LOGIFLEX MOB DE BUREAU 5% 15N30 Amounts are in CAD	Phone No. 819 864 7630	Contact Salesperson Code 003				

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM

Page 14  
rosjla

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Current	Aged Customer Balances		
					31 - 60 Days	61 - 90 Days	Over 90 Days
		20,000	6,169.09	8,189.09 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12291	<b>PAKTEK INC.</b> 2% 10 Days Net 30 Amounts are in CAD						
	Phone No. 514 342 6817				Contact		
					Salesperson Code	004	
		5,000	2,137.25	1,471.70 68.86%	865.55 31.14%	0.00 0.00%	0.00 0.00%
12296	<b>PAVAR FURNITURE INC.</b> Net 60 Days Amounts are in CAD						
	Phone No. 514-822-1011				Contact		
					Salesperson Code	006	
		25,000	17,954.18	13,794.15 76.83%	3,235.57 18.02%	924.46 5.15%	0.00 0.00%
12298	<b>G. ROMANO INC.</b> Net 75 Days Amounts are in CAD						
	Phone No. 514-323-5140				Contact		
					Salesperson Code	004	
		60,000	43,197.14	16,127.55 37.33%	16,217.53 37.54%	10,852.06 25.12%	0.00 0.00%
12301	<b>L. DAVIS TEXTILES (1991) INC</b> Net 45 Days Amounts are in CAD						
	Phone No. 1-450-375-1665				Contact		
					Salesperson Code	005	
		25,000	14,006.66	3,744.15 26.73%	8,183.10 58.42%	2,079.41 14.85%	0.00 0.00%
12308	<b>PYRA MEDIC INC. (W)</b> Cash of Delivery - 3 Amounts are in CAD						
	Phone No. 514-328-8998				Contact		
					Salesperson Code	004	
		6,000	5,689.71	5,689.71 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12309	<b>LUXLINE ACCESSORIES INC.</b> Net 60 Days Amounts are in CAD						
	Phone No. 514-328-8830				Contact		
					Salesperson Code	004	
		2,000	1,380.79	0.00 0.00%	1,380.79 100.00%	0.00 0.00%	0.00 0.00%
12314	<b>GROUPE SM PELLETIER</b> Net 60 Days Amounts are in CAD						
	Phone No. 800-965-5559				Contact 1-819-752-3400 Marc Pell		
					Salesperson Code	004	
		20,000	1,058.51	1,058.51 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12326	<b>HARWELL EMBALLAGE W N</b> 60 Jours/Days Amounts are in CAD						
	Phone No. 514-693-3643				Contact		
					Salesperson Code	004	

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 15  
rosgle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		10,000	2,255.71	1,700.55 75.39%	555.16 24.61%	0.00 0.00%	0.00 0.00%
12330	CREATECH INC 90690744 QUE Net 60 Days Amounts are in CAD	Phone No. 7,500	1-450-991-2314 4,543.77	Contact Salesperson Code 004 0.00 0.00%	2,874.28 63.26%	1,669.49 36.74%	0.00 0.00%
12331	ORTHEX CANADA ENR W Net 60 Days Amounts are in CAD	Phone No. 25,000	450-818-8482 cell 21,626.32	Contact Salesperson Code 004 5,704.24 26.38%	6,877.68 31.80%	7,216.65 33.37%	1,828.75 8.46%
12334	SHOLA INC 60 Jours/Days Amounts are in CAD	Phone No. 15,000	418-253-6968 9,254.43	Contact Salesperson Code 003 0.00 0.00%	9,254.43 100.00%	0.00 0.00%	0.00 0.00%
12339	LA PAILLASSE(1998) INC 9080 30 Jours/Days Amounts are in CAD	Phone No. 3,000	819-377-2232 552.44	Contact Salesperson Code 003 0.00 0.00%	552.44 100.00%	0.00 0.00%	0.00 0.00%
12341	REVOLUTION SANTE 9196445 Cash of Delivery - 2 Amounts are in CAD	Phone No. 5,000	514-866-0005 3,526.36	Contact Salesperson Code 004 3,499.86 99.25%	26.50 0.75%	0.00 0.00%	0.00 0.00%
12342	ARGOS CARPETS Net 30 Days Amounts are in CAD	Phone No. 35,000	613-226-6573 610.20	Contact Salesperson Code 002 0.00 0.00%	0.00 0.00%	327.70 53.70%	282.50 46.30%
12343	JAYMAR bmx Net 30 Days Amounts are in CAD	Phone No. 75,000	450-471-4172 57,212.29	Contact Salesperson Code 003 31,515.39 55.09%	25,447.83 44.48%	249.07 0.44%	0.00 0.00%
12353	EQUIPMENT SANITAIRE CHER Net 60 Days Amounts are in CAD	Phone No.	819-566-2266	Contact Salesperson Code 006			

**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 16  
rosjle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		10,000	1,569.12	1,569.12 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12357	VALENTINO INC W 60 Jours/Days Amounts are in CAD	Phone No. 20,000	514-325-4222 10,336.67	Contact Salesperson Code 004 1,136.73 11.00%	3,943.75 38.15%	3,937.50 38.09%	1,318.89 12.76%
12363	ENVIROPLAST Net 30 Days Amounts are in CAD	Phone No. 2,500	514-352-6060 1,959.74	Contact Salesperson Code 006 0.00 0.00%	1,959.74 100.00%	0.00 0.00%	0.00 0.00%
12367	CONFORT EXCELFLEX INC Net 30 Days Amounts are in CAD	Phone No. 10,000	1-450-252-8886 5,080.78	Contact RICHARD LAPOINTE Salesperson Code 004 5,080.78 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12373	PPD FOAM SOLUTION INC. Net 45 Days Amounts are in CAD	Phone No. 10,000	819-850-0159 446.01	Contact Salesperson Code 004 446.01 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12374	MEUBLES ARBOIT-POITRAS I Net 30 Days Amounts are in CAD	Phone No. 5,000	450-588-2539 2,878.86	Contact CLAUDINE BERGERON Salesperson Code 003 2,027.70 70.43%	851.16 29.57%	0.00 0.00%	0.00 0.00%
12380	DISTRIBUTION SECURI - SPO 2% 15 Days Net 45 Amounts are in CAD	Phone No. 15,000	418-883-5432 241.04	Contact Salesperson Code 005 241.04 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12384	JRZ CANADA INC. 2% 10 Days Net 30 Amounts are in CAD	Phone No. 5,000	418-661-1410 2,335.52	Contact Salesperson Code 005 2,335.52 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
12386	JULIEN BEAUDOIN LTEE Net 60 Days Amounts are in CAD	Phone No.	819-387-2344	Contact Salesperson Code 004			



**Aged Accounts Receivable**  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 17  
rosjle

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		7,000	395.27	395.27	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
<b>U11429</b>	<b>NRF DISTRIBUTORS INC.</b>						
	30 Jours/Days						
	Amounts are in USD						
	Phone No. 207-622-4744						
	Contact						
	Salesperson Code 015						
	249,748	25,656.90	25,656.90	0.00	0.00	0.00	0.00
			100.00%	0.00%	0.00%	0.00%	0.00%
<b>U11771</b>	<b>JEFFCO FIBRES INC</b>						
	2% 30 Days Net 45						
	Amounts are in USD						
	Phone No. 508-943-0440						
	Contact						
	Salesperson Code 006						
	1,977,571	645,577.01	389,746.56	253,095.36	2,735.09	0.00	0.00%
			60.37%	39.20%	0.42%		
<b>U11800</b>	<b>C.D.S. INC.</b>						
	2% 30 Days Net 31						
	Amounts are in USD						
	Phone No. 1-781-702-0558						
	Contact						
	Salesperson Code 015						
	120,071	14,431.80	14,431.80	0.00	0.00	0.00	0.00%
			100.00%	0.00%	0.00%		
<b>U11815</b>	<b>STANLEY STEPHENS CO. LTD</b>						
	2% 30 Days Net 31						
	Amounts are in USD						
	Phone No. 215-788-1515						
	Contact						
	Salesperson Code 015						
	46,143	-150.00	-150.00	0.00	0.00	0.00	0.00%
			100.00%	0.00%	0.00%		
<b>U12129</b>	<b>WCW INC.</b>						
	Net 90 Days						
	Amounts are in USD						
	Phone No. 802-382-8053						
	Contact						
	Salesperson Code 006						
	1,344,796	436,291.76	160,070.31	216,496.49	59,724.96	0.00	0.00%
			38.69%	49.62%	13.69%		
<b>U12164</b>	<b>OTIS BED MANUFACTURING</b>						
	Net 60 Days						
	Amounts are in USD						
	Phone No. 800-588-6847						
	Contact						
	Salesperson Code 006						
	395,514	72,798.41	33,105.21	22,686.88	17,008.32	0.00	0.00%
			45.48%	31.18%	23.36%		
<b>U12171</b>	<b>FRANKLIN AUGUST TRADING</b>						
	30 Jours/Days						
	Amounts are in USD						
	Phone No. 802-652-5900						
	Contact						
	Salesperson Code 006						
	6,905	3,767.54	3,767.54	0.00	0.00	0.00	0.00%
			100.00%	0.00%	0.00%		
<b>U12173</b>	<b>NORTH BROOK FARMS INC</b>						
	Net 30 Days						
	Amounts are in USD						
	Phone No. 877-624-2638						
	Contact						
	Salesperson Code 006						

Aged Accounts Receivable  
Domfoam International Inc.

December 16, 2011 3:34 PM  
Page 18  
rosjie

(Summary, aged as of December 16, 2011)

No.	Name	Credit Limit	Balance Due	Aged Customer Balances			
				Current	31 - 60 Days	61 - 90 Days	Over 90 Days
		48,028	32,917.50	32,917.50	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
U12175	COLLINS BUS CORPORATION Net 30 Days Amounts are in USD	Phone No.	1-620-662-9000	Contact			
				Salesperson Code	004		
		9,608	239.12	239.12	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
U12180	LATEX INTERNATIONAL Net 30 Days Amounts are in CAD	Phone No.		Contact	TUSHAR SHAH		
				Salesperson Code			
		No Limit	338.38	338.38	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
U12181	EURASIA HOLDING (PVT) LTD Cash on delivery *** Over Limit *** Amounts are in USD	Phone No.	011-603-7859-183	Contact			
				Salesperson Code	006		
		9,606	10,901.50	10,901.50	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
U12183	FOAM FACTORY INC. Net 60 Days Amounts are in USD	Phone No.	1-586-627-3826	Contact			
				Salesperson Code	008		
		9,606	236.00	236.00	0.00	0.00	0.00
				100.00%	0.00%	0.00%	0.00%
	Report Total Amount Due (USD)		1,242,667.54	670,922.44	492,278.73	79,466.37	0.00
	Report Total Amount Due (CAD)		5,110,047.54	2,816,501.52	1,702,387.28	428,472.21	162,688.53
				55.12%	33.31%	8.38%	3.18%

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Dec 16, 2011

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
CDN								
BUGATTI DESIGN INC.	60 \$	25 000,00 \$	23 785,28 \$	-	-	-	23 785,28	\$
LBC CANADA INC.	60 \$	350 000,00 \$	162 183,98 \$	22 341,95 \$	2 052,02 \$	-	186 577,95	\$
KRAUS CANADA INC. (HO)	45 \$	975 000,00 \$	245 626,62 \$	308 164,03 \$	7 775,46 \$	-	561 566,11	\$
BOBLEN INC.	31 \$	50 000,00 \$	13 613,58 \$	-	-	-	13 613,58	\$
MATELAS DAUPHIN INC.	31 \$	175 000,00 \$	39 109,17 \$	-	-	-	39 109,17	\$
COURT 1 SPORTS INC.	60 \$	30 000,00 \$	14 207,67 \$	-	-	-	14 207,67	\$
TEXTILES LETOURNEAU	45 \$	75 500,00 \$	12 593,46 \$	-	-	-	12 593,46	\$
REBOURRAGE A.N.P.	60 \$	50 000,00 \$	23 606,80 \$	-	-	-	23 606,80	\$
MATELAS RENE INC.	30 \$	50 000,00 \$	20 010,74 \$	716,40 \$	-	-	20 727,14	\$
SEAWAY PLASTICS LTEE	60 \$	60 000,00 \$	11 761,06 \$	-	-	-	11 761,06	\$
SERV. CORR. DU CANADA	60 \$	35 000,00 \$	8 743,10 \$	12 667,25 \$	(156,07) \$	-	21 254,28	\$
PRINCESSE	60 \$	45 000,00 \$	3 042,96 \$	8 156,27 \$	554,57 \$	-	11 753,80	\$
REMI CARRIER INC.	45 \$	100 000,00 \$	35 736,83 \$	3 874,65 \$	-	-	39 611,48	\$
PROQUAI INC.	60 \$	25 000,00 \$	7 906,23 \$	5 438,49 \$	203,20 \$	-	13 547,92	\$
ROUILLARD INC.	60 \$	85 000,00 \$	29 488,04 \$	-	-	-	29 488,04	\$
MATELAS SIESTA	75 \$	35 000,00 \$	4 953,34 \$	10 856,29 \$	1 652,19 \$	-	17 461,82	\$
ROCKLAND TEXTILES INC.	60 \$	30 000,00 \$	6 326,34 \$	7 158,25 \$	-	-	13 484,59	\$
MATELAS PRESTIGE	15 \$	75 000,00 \$	10 338,70 \$	-	-	-	10 338,70	\$
ARTOPEX PLUS INC.	31 \$	35 000,00 \$	5 400,59 \$	-	47,71 \$	-	5 448,30	\$
LITERIE DORMATEX INC.	60 \$	50 000,00 \$	15 959,56 \$	24 114,35 \$	26 040,05 \$	-	66 113,96	\$
MANUFACTURE DE MATELAS	31 \$	30 000,00 \$	15 222,50 \$	-	-	-	15 222,50	\$
INDUSPAC INC.	75 \$	100 000,00 \$	24 848,10 \$	41 825,78 \$	-	-	66 673,88	\$
WESTBORO FLOORING INC.	31 \$	35 000,00 \$	11 812,62 \$	3 701,20 \$	-	-	15 513,82	\$
EXCEL RSCV MOUSSE FOAM	60 \$	60 000,00 \$	15 825,95 \$	35 041,90 \$	-	-	50 867,85	\$
MEUBLES BELISLE INC.	60 \$	95 000,00 \$	24 749,61 \$	35 064,86 \$	14 764,11 \$	-	74 578,58	\$
MATELAS ORTHOPEDIQUE	60 \$	50 000,00 \$	9 567,88 \$	10 934,82 \$	780,34 \$	-	21 283,04	\$
BELPRO MEDICAL INC.	30 \$	35 000,00 \$	29 256,47 \$	8 563,32 \$	-	-	37 819,79	\$
SEARS CANADA INC.	45 \$	45 000,00 \$	9 942,70 \$	4 906,24 \$	-	-	14 848,94	\$
AD MATS CORPORATION	75 \$	65 000,00 \$	24 206,76 \$	19 528,65 \$	7 731,92 \$	-	51 467,33	\$
MATELAS BEAU REVE INC.	60 \$	20 000,00 \$	7 021,75 \$	4 640,01 \$	6 094,32 \$	1 049,66 \$	18 805,74	\$
BARRY SUPPLIES & FABRIC INC.	75 \$	175 000,00 \$	15 916,75 \$	-	-	-	15 916,75	\$
WESCO NA INC.	60 \$	40 000,00 \$	2 684,44 \$	6 490,80 \$	2 475,66 \$	-	11 650,90	\$
SPORT SYSTEMS CANADA INC.	60 \$	10 000,00 \$	5 381,97 \$	7 633,78 \$	-	-	13 015,75	\$
BEAULIEU CANADA	31 \$	175 000,00 \$	6 621,55 \$	3 913,32 \$	-	-	10 534,87	\$
PAVAR FURNITURE INC.	60 \$	25 000,00 \$	13 794,15 \$	3 235,57 \$	924,46 \$	-	17 954,18	\$
G. ROMANO INC.	75 \$	60 000,00 \$	16 127,55 \$	16 217,53 \$	10 852,06 \$	-	43 197,14	\$
21 ORTHEX CANADA ENR	60 \$	25 000,00 \$	5 704,24 \$	6 877,88 \$	7 215,65 \$	1 828,75 \$	21 626,32 \$	\$
JAYMAR BMX	30 \$	75 000,00 \$	31 515,39 \$	25 447,83 \$	249,07 \$	-	57 212,29	\$
VALENTINO INC.	60 \$	20 000,00 \$	1 136,73 \$	3 943,75 \$	3 937,50 \$	1 318,69 \$	10 336,67	\$
<b>SUB TOTAL CDN</b>	<b>\$</b>	<b>3 495 500,00 \$</b>	<b>965 731,16 \$</b>	<b>654 755,62 \$</b>	<b>93 194,22 \$</b>	<b>4 197,10 \$</b>	<b>1 717 878,10 \$</b>	<b>\$</b>

1

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Dec 16, 2011

3 ELRAN	15 \$	500 000,00	\$	275 662,74	\$	168 838,16	\$	66,42	\$	-	\$	444 567,32	\$	350 000,00
7 SYLCO INC.	75 \$	55 000,00	\$	6 474,40	\$	9 681,70	\$	17 965,21	\$	1 580,00	\$	35 701,31	\$	50 000,00
12 LITERIE DRUMMOND LTEE	60 \$	30 000,00	\$	2 586,26	\$	1 946,93	\$	6 366,53	\$	-	\$	10 299,72	\$	14 000,00
10 GESCO LTD PARTNERSHIP	31 \$	600 000,00	\$	79 196,84	\$	6 274,21	\$	-	\$	-	\$	85 471,05	\$	20 000,00
18 D&R FOAM	60 \$	175 000,00	\$	20 376,34	\$	-	\$	-	\$	-	\$	20 376,34	\$	75 000,00
22 SIEGES DUCHARME INTERNA	75 \$	150 000,00	\$	7 920,09	\$	12 009,68	\$	19 158,04	\$	46 164,31	\$	85 252,12	\$	75 000,00
1 LES MEUBLES VANTAGE 1000	60 \$	38 000,00	\$	5 685,18	\$	2 828,41	\$	2 017,50	\$	-	\$	10 531,09	\$	25 000,00
2 MATELAS D'OR 9053-9834 QI	75 \$	200 000,00	\$	66 501,75	\$	51 915,82	\$	105 251,88	\$	49 087,57	\$	272 757,02	\$	200 000,00
11 L. DAVIS TEXTILES (1991) INC.	45 \$	25 000,00	\$	3 744,15	\$	8 183,10	\$	2 079,41	\$	-	\$	14 006,66	\$	35 000,00
<b>SUB TOTAL CDN Insured</b>		<b>\$ 1 773 000,00</b>	<b>\$</b>	<b>468 147,75</b>	<b>\$</b>	<b>261 078,01</b>	<b>\$</b>	<b>152 904,99</b>	<b>\$</b>	<b>96 831,88</b>	<b>\$</b>	<b>978 962,63</b>	<b>\$</b>	<b>844 000,00</b>
14 MATELAS MARTIN	90 \$	375 000,00	\$	42 838,52	\$	54 679,53	\$	8 063,22	\$	-	\$	105 581,27	\$	80 000,00
25 SUBAR	90 \$	325 000,00	\$	49 450,11	\$	60 612,38	\$	55 319,91	\$	39 927,61	\$	205 310,01	\$	75 000,00
26 TISSUS MORICO INC.	90 \$	150 000,00	\$	21 816,06	\$	38 169,57	\$	29 391,52	\$	21 447,44	\$	-	\$	100 000,00
5 BOZANTO INC.	90 \$	400 000,00	\$	127 318,00	\$	63 715,24	\$	-	\$	-	\$	191 033,24	\$	25 000,00
<b>SUB TOTAL CDN Insured Net 90</b>		<b>\$ 1 250 000,00</b>	<b>\$</b>	<b>241 422,69</b>	<b>\$</b>	<b>217 176,72</b>	<b>\$</b>	<b>92 774,65</b>	<b>\$</b>	<b>61 375,05</b>	<b>\$</b>	<b>612 749,11</b>	<b>\$</b>	<b>280 000,00</b>
<b>SUB TOTAL GANNA COUNT</b>												<b>\$ 189 041,00</b>		
<b>TOTAL WITHOUT % DIFFERENCE</b>				<b>\$ 1 675 301,60</b>		<b>\$ 1 133 010,35</b>		<b>\$ 338 873,86</b>		<b>\$ 162 404,03</b>		<b>\$ 3 498 630,84</b>		
<b>TOTAL WITH % DIFFERENCE</b>				<b>\$ 579 438,70</b>		<b>\$ 382 853,37</b>		<b>\$ 55 916,53</b>		<b>\$ 839,42</b>		<b>\$ 1 029 048,02</b>		
<b>SUB TOTAL CDN</b>				<b>\$ 280 888,65</b>		<b>\$ 156 646,81</b>		<b>\$ 91 742,99</b>		<b>\$ 58 099,13</b>		<b>\$ 587 377,58</b>		
<b>SUB TOTAL CDN Insured</b>				<b>\$ 144 853,61</b>		<b>\$ 130 306,03</b>		<b>\$ 55 664,79</b>		<b>\$ 36 825,03</b>		<b>\$ 367 649,47</b>		
<b>SUB TOTAL CDN Insured Net 90</b>														<b>\$ 56 712,30</b>
<b>SUB TOTAL GANNA COUNT</b>														
<b>TOTAL WITH % DIFFERENCE</b>				<b>\$ 1 005 180,96</b>		<b>\$ 679 806,21</b>		<b>\$ 203 324,32</b>		<b>\$ 95 763,58</b>		<b>\$ 2 040 787,36</b>		
VALLE FOAM INDUSTRIES INC.	45 \$	1 750 000,00	\$	273 212,75	\$	-	\$	-	\$	-	\$	273 212,75	\$	
A Z SPONGE & FOAM	60 \$	125 000,00	\$	42 401,42	\$	1 361,59	\$	-	\$	-	\$	43 763,01	\$	

1

083

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
<b>USD</b>							
JEFFCO FIBRES INC.	45 \$	1 977 571,00 \$	389 746,56 \$	253 095,36 \$	2 735,09 \$	- \$	645 577,01
OTIS BED MANUFACTURING	60 \$	395 514,00 \$	33 105,21 \$	22 686,88 \$	17 006,32 \$	- \$	72 798,41
EURASIA HOLDING (PVT) LTD	COD \$	9 606,00 \$	10 901,50 \$	- \$	- \$	- \$	10 901,50
<b>SUB TOTAL USD</b>		<b>2 382 691,00 \$</b>	<b>433 753,27 \$</b>	<b>275 782,24 \$</b>	<b>19 741,41 \$</b>	<b>- \$</b>	<b>729 276,92</b>
<b>19 NRF DISTRIBUTORS INC.</b>							
6 C.D.S. INC.	30 \$	249 748,00 \$	25 656,90 \$	- \$	- \$	- \$	25 656,90 \$
20 NORTH BROOK FARMS INC.	31 \$	120 071,00 \$	14 431,80 \$	- \$	- \$	- \$	14 431,80 \$
	30 \$	48 028,00 \$	32 917,50 \$	- \$	- \$	- \$	32 917,50 \$
<b>SUB TOTAL USD Insured</b>		<b>417 847,00 \$</b>	<b>73 006,20 \$</b>	<b>- \$</b>	<b>- \$</b>	<b>- \$</b>	<b>73 006,20 \$</b>
<b>27 WCM INC.</b>							
	90 \$	1 344 796,00 \$	160 070,31 \$	216 496,49 \$	59 724,96 \$	- \$	436 291,76 \$
<b>SUB TOTAL USD Insured Net 90</b>		<b>1 344 796,00 \$</b>	<b>160 070,31 \$</b>	<b>216 496,49 \$</b>	<b>59 724,96 \$</b>	<b>- \$</b>	<b>436 291,76 \$</b>
<b>SUB TOTAL GANNA COUNT</b>							<b>4 825,00</b>
<b>TOTAL WITHOUT % DIFFERENCE</b>			<b>666 829,78 \$</b>	<b>492 278,73 \$</b>	<b>79 466,37 \$</b>	<b>- \$</b>	<b>1 243 392,88</b>
<b>TOTAL WITH % DIFFERENCE</b>			35%	35%	35%	10%	
<b>SUB TOTAL USD</b>			151 813,84 \$	96 523,78 \$	6 909,49 \$	- \$	255 246,92
<b>SUB TOTAL USD Insured</b>			25 552,17 \$	- \$	- \$	- \$	25 552,17
<b>SUB TOTAL USD Insured</b>			56 024,61 \$	75 773,77 \$	20 903,74 \$	- \$	152 702,12
<b>SUB TOTAL GANNA COUNT</b>							0%
<b>TOTAL WITH % DIFFERENCE</b>			<b>233 390,42 \$</b>	<b>172 297,56 \$</b>	<b>27 813,23 \$</b>	<b>- \$</b>	<b>433 501,21</b>

USD CONVERTED TO CDN  
EXCHANGE RATE DEC 16, 2011  
1,03621  
TOTAL CDN WITHOUT % DIFFERENCE \$ 1 288 423,39  
TOTAL CDN WITH % DIFFERENCE \$ 449 198,29

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Dec 16, 2011

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
<b>CDN</b>								
BUGATTI DESIGN INC.	60 \$	25 000,00	(13 348,06) \$	- \$	- \$	- \$	(13 348,06)	
LBC CANADA INC.	60 \$	350 000,00	(30 178,07) \$	(22 341,95) \$	(2 052,02) \$	- \$	(54 572,04)	
KRAUS CANADA INC. (HO)	45 \$	975 000,00	- \$	(98 262,28) \$	(7 775,46) \$	- \$	(106 037,74)	
BOBLEN INC.	31 \$	50 000,00	- \$	- \$	- \$	- \$	- \$	
MATELAS DAUPHIN INC.	31 \$	175 000,00	(1 037,84) \$	- \$	- \$	- \$	(1 037,84)	
COURT 1 SPORTS INC.	60 \$	30 000,00	- \$	(6 680,37) \$	- \$	- \$	(6 680,37)	
TEXTILES LETOURNEAU	45 \$	75 500,00	- \$	- \$	- \$	- \$	- \$	
REMBOURRAGE A.N.P.	60 \$	50 000,00	- \$	- \$	- \$	- \$	- \$	
MATELAS RENE INC.	30 \$	50 000,00	(4 282,40) \$	- \$	- \$	- \$	(4 282,40)	
SEAWAY PLASTICS LTTEE	60 \$	60 000,00	(5 762,70) \$	- \$	- \$	- \$	(5 762,70)	
SERV. CORR. DU CANADA	60 \$	35 000,00	- \$	- \$	- \$	- \$	- \$	
PRINCESSE	60 \$	45 000,00	- \$	(3 874,65) \$	(514,01) \$	- \$	(514,01)	
REMI CARRIER INC.	45 \$	100 000,00	(11 041,20) \$	- \$	- \$	- \$	(11 041,20)	
PROQUAI INC.	60 \$	25 000,00	- \$	- \$	- \$	- \$	- \$	
ROUILLARD INC.	60 \$	85 000,00	(15 683,00) \$	- \$	- \$	- \$	(15 683,00)	
MATELAS SIESTA	75 \$	35 000,00	- \$	(4 447,33) \$	(1 652,19) \$	- \$	(6 099,52)	
ROCKLAND TEXTILES INC.	60 \$	30 000,00	- \$	- \$	- \$	- \$	- \$	
MATELAS PRESTIGE	15 \$	75 000,00	(10 338,70) \$	- \$	- \$	- \$	(10 338,70)	
ARTOPEX PLUS INC.	31 \$	35 000,00	- \$	- \$	- \$	- \$	- \$	
LITERIE DORMATEX INC.	60 \$	50 000,00	- \$	- \$	- \$	- \$	- \$	
MANUFACTURE DE MATELAS	31 \$	30 000,00	- \$	- \$	- \$	- \$	- \$	
INDUSPAC INC.	75 \$	100 000,00	- \$	- \$	- \$	- \$	- \$	
WESTBORO FLOORING INC.	31 \$	35 000,00	- \$	- \$	- \$	- \$	- \$	
EXCEL RSVG MOUSSE FOAM	60 \$	60 000,00	- \$	- \$	- \$	- \$	- \$	
MEUBLES BELISLE INC.	60 \$	95 000,00	- \$	- \$	(10 529,88) \$	- \$	(10 529,88)	
MATELAS ORTHOPEDIQUE	60 \$	50 000,00	- \$	- \$	- \$	- \$	- \$	
BELPRO MEDICAL INC.	30 \$	35 000,00	(3 778,58) \$	(4 906,24) \$	- \$	- \$	(8 684,82)	
SEARS CANADA INC.	45 \$	45 000,00	- \$	- \$	- \$	- \$	- \$	
AD MATS CORPORATION	75 \$	65 000,00	- \$	- \$	- \$	- \$	- \$	
MATELAS BEAU REVE INC.	60 \$	20 000,00	(8 219,50) \$	- \$	- \$	- \$	(8 219,50)	
BARRY SUPPLIES & FABRIC INC.	75 \$	175 000,00	- \$	- \$	- \$	- \$	- \$	
WESCO NA INC.	60 \$	40 000,00	- \$	- \$	- \$	- \$	- \$	
SPORT SYSTEMS CANADA INC.	60 \$	10 000,00	- \$	- \$	- \$	- \$	- \$	
BEAULIEU CANADA	31 \$	175 000,00	(3 249,87) \$	- \$	- \$	- \$	(3 249,87)	
PAVAR FURNITURE INC.	60 \$	25 000,00	- \$	- \$	- \$	- \$	- \$	
G. ROMANO INC.	75 \$	60 000,00	- \$	- \$	- \$	- \$	- \$	
21 ORTHEX CANADA ENR	60 \$	25 000,00	- \$	- \$	- \$	- \$	- \$	
JAYMAR BMX	30 \$	75 000,00	- \$	- \$	- \$	- \$	- \$	
VALENTINO INC.	60 \$	20 000,00	- \$	- \$	- \$	- \$	- \$	
<b>SUB TOTAL CDN</b>		<b>\$ 3 495 500,00</b>	<b>(103 670,04) \$</b>	<b>(143 762,69) \$</b>	<b>(22 523,56) \$</b>	<b>- \$</b>	<b>(269 956,29) \$</b>	<b>- \$</b>

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

3 ELRAN	15 \$	500 000,00	\$	(186 474,37)	\$	(168 838,16)	\$	(66,42)	\$	-	\$	(355 378,95)	\$	350 000,00
7 SYLCO INC.	75 \$	55 000,00												50 000,00
12 LITERIE DRUMMOND L'TEE	60 \$	30 000,00												14 000,00
10 GESCO LTD PARTNERSHIP	31 \$	600 000,00	\$	(4 075,35)	\$	(6 274,21)	\$	-	\$	-		(10 349,56)	\$	20 000,00
18 D&R FOAM	60 \$	175 000,00	\$	(20 376,34)	\$	-	\$	-	\$	-		(20 376,34)	\$	75 000,00
22 SIEGES DUCHARME INTERNA	75 \$	150 000,00												75 000,00
1 LES MEUBLES VANTAGE 1000	60 \$	38 000,00												25 000,00
2 MATELAS D'OR 9053-9834 QI	75 \$	200 000,00	\$	-	\$	-	\$	-	\$	(17 091,12)		(17 091,12)	\$	200 000,00
11 L. DAVIS TEXTILES (1891) INC.	45 \$	25 000,00												35 000,00
<b>SUB TOTAL CDN Insured</b>		<b>\$ 1 773 000,00</b>	<b>\$</b>	<b>(210 926,06)</b>	<b>\$</b>	<b>(175 112,37)</b>	<b>\$</b>	<b>(66,42)</b>	<b>\$</b>	<b>(17 091,12)</b>	<b>\$</b>	<b>(403 195,97)</b>	<b>\$</b>	<b>844 000,00</b>
14 MATELAS MARTIN	90 \$	375 000,00												80 000,00
25 SUBAR	90 \$	325 000,00												75 000,00
26 TISSUS MORICO INC.	90 \$	150 000,00												100 000,00
5 BOZANTO INC.	90 \$	400 000,00	\$	-	\$	(5 272,15)	\$	-	\$	-		(5 272,15)	\$	25 000,00
<b>SUB TOTAL CDN Insured Net 90</b>		<b>\$ 1 250 000,00</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(5 272,15)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(5 272,15)</b>	<b>\$</b>	<b>280 000,00</b>

SUB TOTAL GANNA COUNT

TOTAL WITHOUT % DIFFERENCE

TOTAL WITH % DIFFERENCE

SUB TOTAL CDN

SUB TOTAL CDN Insured

SUB TOTAL CDN Insured Net 90

SUB TOTAL GANNA COUNT

TOTAL WITH % DIFFERENCE

VALLE FOAM INDUSTRIES INC.  
A Z SPONGE & FOAM

	\$	(314 596,10)	\$	(324 147,21)	\$	(22 589,98)	\$	(17 091,12)	\$	(688 919,64)
	\$	(62 202,02)	\$	(86 257,61)	\$	(13 514,14)	\$	-	\$	(161 973,77)
	\$	(126 555,54)	\$	(105 067,42)	\$	(39,85)	\$	(10 254,67)	\$	(241 917,58)
	\$	-	\$	(3 163,29)	\$	-	\$	-	\$	(3 163,29)
	\$		\$		\$		\$		\$	30%
	\$		\$		\$		\$		\$	(3 148,57)
	\$	(188 757,66)	\$	(194 488,33)	\$	(13 553,99)	\$	(10 254,67)	\$	(410 203,22)
	\$	1 750 000,00								
	\$	125 000,00								

AGED ACCOUNTS RECEIVABLE  
DOMIFOAM INTERNATIONAL INC.

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
USD							
JEFFCO FIBRES INC.	45 \$	1 977 571,00	\$ (154 915,23)	\$ (253 095,36)	\$ (2 735,09)	\$ -	\$ (410 745,68)
OTIS BED MANUFACTURING	60 \$	395 514,00					\$ -
EURASIA HOLDING (PVT) LTD	COO \$	9 606,00					\$ -
<b>SUB TOTAL USD</b>		<b>\$ 2 382 691,00</b>	<b>\$ (154 915,23)</b>	<b>\$ (253 095,36)</b>	<b>\$ (2 735,09)</b>	<b>\$ -</b>	<b>\$ (410 745,68)</b>
19 NRF DISTRIBUTORS INC.	30 \$	249 748,00	\$ (2 683,60)	\$ -	\$ -	\$ -	\$ (2 683,60)
6 C.D.S. INC.	31 \$	120 071,00					\$ -
20 NORTHBROOK FARMS INC.	30 \$	48 028,00					\$ -
<b>SUB TOTAL USD Insured</b>		<b>\$ 417 847,00</b>	<b>\$ (2 683,60)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2 683,60)</b>
27 WCV INC.	90 \$	1 344 796,00					\$ -
<b>SUB TOTAL USD Insured Net 90</b>		<b>\$ 1 344 796,00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150 000,00</b>

SUB TOTAL GAMMA COUNT

TOTAL WITHOUT % DIFFERENCE

TOTAL WITH % DIFFERENCE

SUB TOTAL USD

SUB TOTAL USD Insured

SUB TOTAL USD Insured

SUB TOTAL GAMMA COUNT

TOTAL WITH % DIFFERENCE

USD CONVERTED TO CDN  
EXCHANGE RATE DEC 16, 2011  
TOTAL CDN WITHOUT % DIFFERENCE  
TOTAL CDN WITH % DIFFERENCE

1,03621

\$ (157 598,83)	\$ (253 095,36)	\$ (2 735,09)	\$ -	\$ (413 429,28)
35%	35%	35%	10%	
\$ (54 220,33)	\$ (88 583,38)	\$ (957,28)	\$ -	\$ (143 760,99)
35%	35%	35%	35%	
\$ (939,26)	\$ -	\$ -	\$ -	\$ (939,26)
35%	35%	35%	35%	
\$ -	\$ -	\$ -	\$ -	\$ -
				0%
\$ (55 159,55)	\$ (88 583,38)	\$ (957,28)	\$ -	\$ (144 700,25)

\$ (428 398,55)  
\$ (149 939,84)



AGED ACCOUNTS RECEIVABLE  
DOMIFOAM INTERNATIONAL INC.

Dated Dec 16, 2011

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
CDN								
BUGATTI DESIGN INC.	60 \$	25 000,00 \$	10 437,23 \$	- \$	- \$	- \$	10 437,23 \$	
LBC CANADA INC.	60 \$	350 000,00 \$	132 005,91 \$	- \$	- \$	- \$	132 005,91 \$	
KRAUS CANADA INC. (HO)	45 \$	975 000,00 \$	245 626,62 \$	209 901,75 \$	- \$	- \$	455 528,37 \$	
BOBLEN INC.	31 \$	50 000,00 \$	13 613,58 \$	- \$	- \$	- \$	13 613,58 \$	
MATELAS DAUPHIN INC.	31 \$	175 000,00 \$	39 109,17 \$	- \$	- \$	- \$	39 109,17 \$	
COURT 1 SPORTS INC.	60 \$	30 000,00 \$	13 169,83 \$	- \$	- \$	- \$	13 169,83 \$	
TEXTILES LETOURNEAU	45 \$	75 500,00 \$	12 593,46 \$	6 620,28 \$	- \$	- \$	19 213,74 \$	
REMBOURRAGE A.N.P.	60 \$	50 000,00 \$	23 606,80 \$	716,40 \$	- \$	- \$	24 323,20 \$	
MATELAS RENE INC.	30 \$	50 000,00 \$	15 728,34 \$	- \$	- \$	- \$	15 728,34 \$	
SEAWAY PLASTICS LTEE	60 \$	60 000,00 \$	5 998,36 \$	- \$	- \$	- \$	5 998,36 \$	
SERV. CORR. DU CANADA	60 \$	35 000,00 \$	8 743,10 \$	12 667,25 \$	(156,07) \$	- \$	21 254,28 \$	
PRINCESSE	60 \$	45 000,00 \$	3 042,96 \$	8 156,27 \$	40,56 \$	- \$	11 239,79 \$	
REMI CARRIER INC.	45 \$	100 000,00 \$	24 695,63 \$	- \$	- \$	- \$	24 695,63 \$	
PROQUAI INC.	60 \$	25 000,00 \$	7 906,23 \$	5 438,48 \$	203,20 \$	- \$	13 547,92 \$	
ROUILLARD INC.	60 \$	85 000,00 \$	13 805,04 \$	- \$	- \$	- \$	13 805,04 \$	
MATELAS SIESTA	75 \$	35 000,00 \$	4 953,34 \$	6 408,96 \$	- \$	- \$	11 362,30 \$	
ROCKLAND TEXTILES INC.	60 \$	30 000,00 \$	6 326,34 \$	7 158,25 \$	- \$	- \$	13 484,59 \$	
MATELAS PRESTIGE	15 \$	75 000,00 \$	- \$	- \$	- \$	- \$	- \$	
ARTOPEX PLUS INC.	31 \$	35 000,00 \$	5 400,59 \$	- \$	47,71 \$	- \$	5 448,30 \$	
LITERIE DORMATEX INC.	60 \$	50 000,00 \$	15 959,56 \$	24 114,35 \$	26 040,05 \$	- \$	66 113,96 \$	
MANUFACTURE DE MATELAS	31 \$	30 000,00 \$	15 222,50 \$	- \$	- \$	- \$	15 222,50 \$	
INDUSPAC INC.	75 \$	100 000,00 \$	24 848,10 \$	41 825,78 \$	- \$	- \$	66 673,88 \$	
WESTBORO FLOORING INC.	31 \$	35 000,00 \$	11 812,62 \$	3 701,20 \$	- \$	- \$	15 513,82 \$	
EXCEL RSVK MOUSSE FOAM	60 \$	60 000,00 \$	15 825,95 \$	35 041,90 \$	- \$	- \$	50 867,85 \$	
MEUBLES BELISLE INC.	60 \$	95 000,00 \$	24 749,61 \$	35 064,86 \$	4 234,23 \$	- \$	64 048,70 \$	
MATELAS ORTHOPEDIQUE	60 \$	50 000,00 \$	9 567,88 \$	10 934,82 \$	780,34 \$	- \$	21 283,04 \$	
BELPRO MEDICAL INC.	30 \$	35 000,00 \$	29 256,47 \$	8 563,32 \$	- \$	- \$	37 819,79 \$	
SEARS CANADA INC.	45 \$	45 000,00 \$	6 164,12 \$	- \$	- \$	- \$	6 164,12 \$	
AD MATS CORPORATION	75 \$	65 000,00 \$	24 206,76 \$	19 528,65 \$	7 731,92 \$	- \$	51 467,33 \$	
MATELAS BEAU REVE INC.	60 \$	20 000,00 \$	7 021,75 \$	4 640,01 \$	6 094,32 \$	1 049,66 \$	18 805,74 \$	
BARRY SUPPLIES & FABRIC INC.	75 \$	175 000,00 \$	7 697,25 \$	- \$	- \$	- \$	7 697,25 \$	
WESCO NA INC.	60 \$	40 000,00 \$	2 684,44 \$	6 490,80 \$	2 475,66 \$	- \$	11 650,90 \$	
SPORT SYSTEMS CANADA INC.	60 \$	10 000,00 \$	5 381,97 \$	7 633,78 \$	- \$	- \$	13 015,75 \$	
BEAULIEU CANADA	31 \$	175 000,00 \$	6 621,55 \$	663,45 \$	- \$	- \$	7 285,00 \$	
PAVAR FURNITURE INC.	60 \$	25 000,00 \$	13 794,15 \$	3 235,57 \$	924,46 \$	- \$	17 954,18 \$	
G. ROMANO INC.	75 \$	60 000,00 \$	16 127,55 \$	16 217,53 \$	10 852,06 \$	- \$	43 197,14 \$	
21 ORTHEX CANADA ENR	60 \$	25 000,00 \$	5 704,24 \$	6 877,68 \$	7 215,65 \$	1 828,75 \$	21 626,32 \$	
JAYMAR BMX	30 \$	75 000,00 \$	31 515,39 \$	25 447,83 \$	249,07 \$	- \$	57 212,29 \$	
VALENTINO INC.	60 \$	20 000,00 \$	1 136,73 \$	3 943,75 \$	3 937,50 \$	1 318,69 \$	10 336,67 \$	
<b>SUB TOTAL CDN</b>		<b>\$ 3 495 500,00 \$</b>	<b>862 061,12 \$</b>	<b>510 992,93 \$</b>	<b>70 670,66 \$</b>	<b>4 197,10 \$</b>	<b>1 447 921,81 \$</b>	<b>- \$</b>

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

3	ELRAN	15	\$	500,000.00	\$	89,188.37	\$	-	\$	89,188.37	\$	350,000.00
7	SYLCO INC.	75	\$	55,000.00	\$	6,474.40	\$	9,681.70	\$	17,965.21	\$	1,580.00
12	LITERIE DRUMMOND LTTEE	60	\$	30,000.00	\$	2,586.26	\$	1,346.93	\$	6,366.53	\$	-
10	GESCO LTD PARTNERSHIP	31	\$	600,000.00	\$	75,121.49	\$	-	\$	-	\$	10,299.72
18	D&R FOAM	60	\$	175,000.00	\$	-	\$	-	\$	-	\$	75,121.49
22	SIEGES DUCHARME INTERNA	75	\$	150,000.00	\$	7,920.09	\$	12,009.68	\$	19,158.04	\$	46,164.31
1	LES MEUBLES VANTAGE 1000	60	\$	38,000.00	\$	5,685.18	\$	2,828.41	\$	2,017.50	\$	-
2	MATELAS D'OR 9053-9834 QI	75	\$	200,000.00	\$	66,501.75	\$	51,915.82	\$	105,251.88	\$	31,996.45
11	L. DAVIS TEXTILES (1991) INC.	45	\$	25,000.00	\$	3,744.15	\$	8,183.10	\$	2,079.41	\$	-
	<b>SUB TOTAL CDN Insured</b>		\$	1,773,000.00	\$	257,221.69	\$	85,965.64	\$	152,838.57	\$	79,740.76
			\$		\$		\$		\$		\$	575,766.66
14	MATELAS MARTIN	90	\$	375,000.00	\$	42,838.52	\$	54,679.53	\$	8,063.22	\$	-
25	SUBAR	90	\$	325,000.00	\$	49,450.11	\$	60,612.38	\$	55,319.91	\$	39,927.61
26	TISSUS MORICO INC.	90	\$	150,000.00	\$	21,816.06	\$	38,169.57	\$	29,391.52	\$	21,447.44
5	BOZANTO INC.	90	\$	400,000.00	\$	127,318.00	\$	58,443.09	\$	-	\$	-
	<b>SUB TOTAL CDN Insured Net 90</b>		\$	1,250,000.00	\$	241,422.69	\$	211,904.57	\$	92,774.65	\$	61,375.05
			\$		\$		\$		\$		\$	607,476.96
			\$		\$		\$		\$		\$	280,000.00

SUB TOTAL GANNA COUNT

TOTAL WITHOUT % DIFFERENCE

TOTAL WITH % DIFFERENCE

SUB TOTAL CDN

SUB TOTAL CDN Insured

SUB TOTAL CDN Insured Net 90

SUB TOTAL GANNA COUNT

TOTAL WITH % DIFFERENCE

VALLE FOAM INDUSTRIES INC.  
A Z SPONGE & FOAM

			\$	1,360,705.50	\$	808,863.14	\$	316,283.88	\$	145,312.91	\$	2,809,711.20
			\$	517,236.67	\$	306,595.76	\$	42,402.40	\$	839.42	\$	867,074.25
			\$	154,333.01	\$	51,579.38	\$	91,703.14	\$	47,844.46	\$	345,460.00
			\$	144,853.61	\$	127,142.74	\$	55,664.79	\$	36,825.03	\$	364,486.18
			\$		\$		\$		\$		\$	53,563.73
			\$	816,423.30	\$	486,317.88	\$	189,770.33	\$	85,508.91	\$	1,630,584.15
45		\$	1,750,000.00	\$	273,212.75	\$	-	\$	-	\$	-	273,212.75
60		\$	125,000.00	\$	42,401.42	\$	1,361.59	\$	-	\$	-	43,763.01

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
USD							
JEFFCO FIBRES INC.	45 \$	1 977 571,00 \$	234 831,33 \$	- \$	- \$	- \$	234 831,33
OTIS BED MANUFACTURING	60 \$	395 514,00 \$	33 105,21 \$	22 686,88 \$	17 006,32 \$	- \$	72 798,41
EURASIA HOLDING (PVT) LTD	COD \$	9 606,00 \$	10 901,50 \$	- \$	- \$	- \$	10 901,50
<b>SUB TOTAL USD</b>		<b>\$ 2 382 691,00</b>	<b>\$ 278 838,04</b>	<b>\$ 22 686,88</b>	<b>\$ 17 006,32</b>	<b>\$ -</b>	<b>\$ 318 531,24</b>
19 NRF DISTRIBUTORS INC.	30 \$	249 748,00 \$	22 973,30 \$	- \$	- \$	- \$	22 973,30
6 C.D.S. INC.	31 \$	120 071,00 \$	14 431,80 \$	- \$	- \$	- \$	14 431,80
20 NORTH BROOK FARMS INC.	30 \$	48 028,00 \$	32 917,50 \$	- \$	- \$	- \$	32 917,50
<b>SUB TOTAL USD Insured</b>		<b>\$ 417 847,00</b>	<b>\$ 70 322,60</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70 322,60</b>
27 WCW INC.	90 \$	1 344 796,00 \$	160 070,31 \$	216 496,49 \$	59 724,96 \$	- \$	436 291,76
<b>SUB TOTAL USD Insured Net 90</b>		<b>\$ 1 344 796,00</b>	<b>\$ 160 070,31</b>	<b>\$ 216 496,49</b>	<b>\$ 59 724,96</b>	<b>\$ -</b>	<b>\$ 436 291,76</b>
<b>SUB TOTAL GAMMA COUNT</b>							<b>\$ 4 825,00</b>
<b>TOTAL WITHOUT % DIFFERENCE</b>			<b>\$ 509 230,95</b>	<b>\$ 239 183,37</b>	<b>\$ 76 731,28</b>	<b>\$ -</b>	<b>\$ 829 970,60</b>
<b>TOTAL WITH % DIFFERENCE</b>			<b>\$ 97 593,31</b>	<b>\$ 7 940,41</b>	<b>\$ 5 952,21</b>	<b>\$ -</b>	<b>\$ 111 485,93</b>
<b>SUB TOTAL USD</b>			<b>35%</b>	<b>35%</b>	<b>35%</b>	<b>10%</b>	
<b>SUB TOTAL USD Insured</b>			<b>\$ 24 612,91</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24 612,91</b>
<b>SUB TOTAL USD Insured</b>			<b>\$ 56 024,61</b>	<b>\$ 75 773,77</b>	<b>\$ 20 903,74</b>	<b>\$ -</b>	<b>\$ 152 702,12</b>
<b>SUB TOTAL GAMMA COUNT</b>							<b>\$ -</b>
<b>TOTAL WITH % DIFFERENCE</b>			<b>\$ 178 230,83</b>	<b>\$ 83 714,18</b>	<b>\$ 26 855,95</b>	<b>\$ -</b>	<b>\$ 288 800,96</b>

USD CONVERTED TO CDN  
EXCHANGE RATE DEC 16, 2011  
1,03621  
TOTAL CDN WITHOUT % DIFFERENCE \$ 860 023,84  
TOTAL CDN WITH % DIFFERENCE \$ 299 258,44

Schedule 2.9(B)  
Purchased Inventories

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Section 1

List of Purchased Inventories as of December 17, 2011.

*See document attached  
Total of one (1) page*

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Section 2

Calculation of the Purchase Price attributed to the Purchased Inventories

*See document attached  
Total of one (1) page*

**Schedule 2.9(B) - Section 1**



092

<b>RAW MATERIAL</b>		<b>SEC.</b>	<b>Dec 17 2011</b>
SCRAP		1	118 771 **
FILM		2	41 813
UNDERLAY TUBING		3	41 252
NON CHEMICALS		5	30 581 **
BONDED CHEMICAL		6	15 833
CHEMICALS (MAJORS)		7	1 374 870 **
OTHERS		8	7 378 **
SMALL CHEMICALS		9	373 501 **
POLYESTER FIBRE			0
		sub total:	2 004 000
			2 004 000
<b>WORK IN PROCESS</b>			
BONDED BLOCKS square		11	6 221
BONDED BUNS round		12	62 413
SQUARE BLOCK / ETHER BLOCKS		13	1 109 160 **
ROUND ESTER BUNS		14	35 349 **
ROUND ETHER UNDERLAY BUNS		15	0
POLY ETHER BUNS		16	114 473 **
		sub total:	1 327 616
			1 327 616
<b>TOTAL R.M &amp; W. IN P.</b>		total:	3 331 616
			3 331 616
<b>FINISHED GOODS</b>			
BONDED UNDERLAY		17	21 384
SHIPPING INVENTORY (GOODS)		18,23	89 062 **
		sub total:	110 447
			110 447
<b>TOTAL INVENTORY</b>		<b>TOTAL:</b>	<b>3 442 063</b>
			3 442 063
SECTION 1	SUPPLIES	1	60 793
SECTION 2	FIBER	2	3 730
SECTION 3	BLOCS	3	13 727
SECTION 4	BUN ENDS	4	1 541
SECTION 5	COMMANDES/stock	5	49 038
			0
<b>TOTAL INVENTORY</b>		<b>TOTAL:</b>	<b>128 828</b>
			0
<b>OVERALL VALUE</b>			<b>3 570 891</b>
<b>** Designates counted inventory</b>			

**Schedule 2.9(B) - Section 2**

093

RAW MATERIAL	SEC.	Dec 17 2011	Purchase Price offered	
SCRAP	1	118 771 **	75 000	500,000 lbs @ .15/lb
FILM	2	41 813	-	See note 2 below
UNDERLAY TUBING	3	41 252	-	See note 2 below
NON CHEMICALS	5	30 581 ** 10%	3 058	
BONDED CHEMICAL	6	15 833	-	See note 2 below
CHEMICALS (MAJORS)	7	1 374 870 ** 30%	324 891	See note 1 below
OTHERS	8	7 378 ** 0%	-	
SMALL CHEMICALS	9	373 501 ** 50%	186 751	
POLYESTER FIBRE		0	-	
	sub total:	2 004 000		
		2 004 000		
<b>WORK IN PROCESS</b>				
BONDED BLOCKS square	11	6 221	-	See note 2 below
BONDED BUNS round	12	62 413	-	See note 2 below
SQUARE BLOCK / ETHER BLOCKS	13	1 109 160 ** 30%	332 748	
ROUND ESTER BUNS	14	35 349 ** 30%	10 605	
ROUND ETHER UNDERLAY BUNS	15	0	-	See note 2 below
POLY ETHER BUNS	16	114 473 ** 30%	34 342	
	sub total:	1 327 616		
		1 327 616		
<b>TOTAL R.M &amp; W. IN P.</b>	total:	3 331 616		
		3 331 616		
<b>FINISHED GOODS</b>				
BONDED UNDERLAY	17	21 384 30%	6 415	See note 2 below
SHIPPING INVENTORY (GOODS)	18,23	89 062 **	71 000	Latex 100%
	sub total:	110 447		
		110 447		
<b>TOTAL INVENTORY</b>	<b>TOTAL:</b>	3 442 063		
		3 442 063		
<b>SECTION 1 SUPPLIES</b>				
SECTION 1	SUPPLIES	1	60 793	-
SECTION 2	FIBER	2	3 730	-
SECTION 3	BLOCS	3	13 727	30%
SECTION 4	BUN ENDS	4	1 541	-
SECTION 5	COMMANDES/stocl	5	49 038	-
			0	
<b>TOTAL INVENTORY</b>	<b>TOTAL:</b>	128 828		
		0		
Add purchase of uncounted items (notes #2)			20 000	
<b>OVERALL VALUE</b>		<b>3 570 891</b>	<b>1 068 928</b>	

\*\* Designates counted inventory

<b>Note 1</b>		
Total Chemical in inventory		1 374 870
less TDI in inv (value \$0.00)	210 000 lbs @ 1.39/lb	291 900
Remaining inventory		1 082 970
	Value at 30%	324 891

Schedule 2.9(E)

Excess rebates to customers

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*See document attached  
Total of six (6) pages*

GROSS REBATES AVAILABLE

Poly Customers Rebates	\$ 1,026,744.32
Underlay Customers Rebates	\$ 159,207.98
<b>TOTAL REBATES AVAILABLE</b>	<u>\$ 1,185,952.30</u>

GROSS REBATES APPLIED

		CDN	USD	1.03621 USD to CDN	Total
SUB TOTAL	\$	(269,956.29) \$	(410,745.68) \$	(14,873.10) \$	(695,575.07)
SUB TOTAL Insured	\$	(403,195.97) \$	(2,683.60) \$	(97.17) \$	(405,976.74)
SUB TOTAL Insured Net 90	\$	(5,272.15) \$	- \$	- \$	(5,272.15)
SUB TOTAL GANNA COUNT	\$	(10,495.23) \$	- \$	- \$	(10,495.23)
<b>TOTAL GROSS</b>	\$	<u>(688,919.64) \$</u>	<u>(413,429.28) \$</u>	<u>(14,970.27) \$</u>	<u>(1,117,319.19)</u>
<b>EXCESS UNAPPLIED REBATES</b>					<u>\$ 68,633.11</u>

(A)

(C)

(E)



POLY CUSTOMERS REBATES SUMMARY AS OF NOVEMBER 2011

ALPHA CODE	CUSTOMER NUMBER	CUSTOMER NAME	REBATE PERCENT	EXPIRY	POLY	TOTAL REBATES	CIN REBATES	REVERSED REBATES
	0							
BUGATTI	202	BUGATTI	2.50%	31-Dec-11	1,327.70	1,327.70		13,348.05
EL RAN	10005	EL RAN	05 12.82%	31-Dec-11	34,895.50	34,895.50		355,378.95
LBC CANADA	10020	LBC CANADA	04 3.00%	31-Dec-11	3,988.17	3,988.17		54,572.04
BERNETT	10305	BERNETT FLEET (VANIER QUEBEC)	05 5.00%	31-Dec-11	54.35	54.35		937.55
COURT 1	10336	COURT 1	04 4.00%	31-Dec-11	158.08	158.08		1,037.84
LAVOLETTE	10378	MATELAS LAVOLETTE	03 8.00%	31-Dec-11	407.12	407.12		4,829.68
LETOURNAU	10384	LETOURNAU	05 3.00%	31-Dec-11	476.76	476.76		6,680.37
MAT REINE	10510	MAT REINE	05 2.00%	31-Dec-11	386.74	386.74		4,282.40
SEAWAY	10545	SEAWAY PLASTICS	04 3.00%	31-Dec-11	507.30	507.30		5,762.70
PRIGESSE	10846	MATELAS PRIGESSE	05 7.00%	31-Dec-11	0.00	0.00		574.07
JARDIN DE VILLE	11155	JARDIN DE VILLE	05 4.00%	31-Dec-11	13.50	13.50		4,138.25
D & R	11184	D & R	05 10.00%	31-Dec-11	5,857.00	5,857.00		63,338.80
REMI CARRIER	11209	REMI CARRIER	03 3.50%	31-Dec-11	1,367.94	1,367.94		14,915.85
ROUILLARD	11289	ROUILLARD	03 5.00%	31-Dec-11	1,720.25	1,720.25		15,683.00
SIESTA	11289	MATELAS SIESTA	05 8.00%	31-Dec-11	384.48	384.48		8,099.52
PREBITRE MAT	11457	FAB MAT	00 8.00%	31-Dec-11	282.24	282.24		12,348.68
BOZANTO	11866	BOZANTO	04 6.00%	31-Aug-11	5,259.50	5,259.50		5,272.15
JEFFCO	11771	JEFFCO	04 7.00%	31-Dec-11	30,193.28	30,193.28		410,745.88
PEL INTERNATIONAL	11844	PEL INTERNATIONAL	03 5.00%	31-Dec-11	621.60	621.60		5,348.85
MATELAS DOR	11924	MATELAS DOR	08 3.80%	31-Dec-11	2,084.06	2,084.06		17,081.72
BELISLE	11927	BELISLE	05 4.00%	31-Dec-11	1,048.96	1,048.96		10,529.88
BARRY SUPPLIES	12158	BARRY SUPPLIES	05 5.00%	31-Dec-11	655.05	655.05		8,219.80
VICLINE (2006)	12282	VICLINE (2006)	04 4.00%	31-Dec-11	482.70	482.70		5,471.45
				TOTAL	92,270.28	92,270.28	0.00	1,026,744.32
								0.00

= Rebate is greater than AIR  
 G CDA = Subtotal Granna Court

UNDEKLAJ USTIUMIEKS - KEBATIE SUINIWIART AS NUWENIDER 2011

KLUB / KLASA	DISKONTER / KLASA	KUSTOMER / NAMA	REBATE / PERSENTASE	EXPIRE DATE	BONDED	TOTAL REBATES	CN REBATES	REVERSED REBATES	REMARKS
KRAUS CANADA	10072	KRAUS CANADA - VOLUME REBATE	08 + 18	31-Dec-10	25,548.80	25,546.80			52,937.80
KRAUS CANADA	10072 ARGO	KRAUS CANADA - ARGO	0 + 18	31-Dec-10	0.00	0.00			2,000.00
KRAUS CANADA	10072 CA	KRAUS CANADA - MISCELLANEOUS	08 + 18	31-Dec-10	5,109.36	5,109.36			10,387.58
KRAUS CANADA	10072 CAN	KRAUS CANADA - MISCELLANEOUS	08 + 18	TBA	0.00	0.00			0.00
KRAUS CANADA	10072 CURT	KRAUS CANADA - MISCELLANEOUS	08 + 18	31-May-10	0.00	0.00			2,000.00
KRAUS CANADA	10072 CAUN	KRAUS CANADA - CANTREX/UNITED	08 + 18	31-Dec-10	1,418.88	1,418.88			1,437.10
KRAUS CANADA	10072 EXL	KRAUS CANADA - EXCLUSIVE	08 + 18	TBA	0.00	0.00			4,395.00
KRAUS CANADA	10072 FZ	KRAUS CANADA - SOOKE	08 + 18	TBA	0.00	0.00			1,194.27
KRAUS CANADA	10072 INSP	KRAUS CANADA - INSPIRATION	TBA	TBA	0.00	0.00			0.00
KRAUS CANADA	10072 S	KRAUS CANADA - SPEC - PROMO ACCRUAL	08 + 18	31-Dec-10	7,864.04	7,864.04			15,881.34
KRAUS CANADA	10072 SLH	KRAUS CANADA - EXTRA RESERVE	08 + 18	TBA	0.00	0.00			15,604.67
BEAVER	10120	BEAVER	02	31-Dec-10	0.00	0.00			1,769.76
CENTURA	10182	CENTURA - OTTAWA - PROMO	02	31-Dec-10	0.00	0.00			272.94
CENTURA	10183 B	CENTURA - PROMO (London/Windsor)	18	31-Dec-10	0.00	0.00			318.33
CENTURA	10195	CENTURA - TORONTO - PROMO	18	31-Dec-10	0.00	0.00			0.00
CENTURA	10280	CENTURA - HAMILTON - PROMO	18	31-Dec-10	0.00	0.00			0.00
STEEERS	10485	STEEERS - PROMO - CBK	14	30-Nov-10	0.00	0.00			0.00
STEEERS	10485 R	STEEERS - VOLUME - CBK	14	5.00%	0.00	0.00			3,128.86
GESCO	10551 BG	SHNIER (GESCO) - BUYING GROUP	2,814,18	30-Sep-10	776.58	776.58			2,611.18
GESCO	10551 FB	SHNIER (GESCO) - FILE BACKS	2,814,18	TBA	0.00	0.00			1,982.46
GESCO	10551 S	SHNIER (GESCO) - VOL. REBATE	2,814,18	30-Sep-10	1,284.30	1,284.30			0.00
CHARLES R BELL	11207	CHARLES R BELL	14	30-Sep-10	2,058.00	2,058.00			3,284.10
STEEERS	11278	STEEERS - PROMO MT - PEARL	14	7.00%	727.79	727.79			5,143.00
STEEERS	11278 R	STEEERS - VOLUME MT - PEARL	14	3.00%	0.00	0.00			2,248.82
NRF	U11429	NRF	18	30-Nov-10	0.00	0.00			7,286.89
SEARS	12000 A C V	SEARS ADVERTISING, CLUB, CLAIMS (CANTREX)	08	5.00%	1,093.16	1,093.16			10,595.23
SEARS	12000 V	SEARS - VOLUME	08	3.00%	0.00	0.00			2,683.80
SEARS	12021 C	SEARS - CORPORATE - Ad - Club - Clima	08	5.00%	632.45	632.45			1,404.35
SEARS	12021 V	SEARS - CORPORATE - VOLUME	08	5.00%	724.95	724.95			842.51
BEAULIEU	1225AVR	BEAULIEU - VOLUME	02	5.00%	447.35	447.35			632.46
BEAULIEU	1225FPK0	BEAULIEU - VOLUME	02	5.00%	536.82	536.82			5,805.40
99999				TOTAL	48,030.48	48,030.48	0.00	1,100.00	159,207.98

underlay

= Rebate is greater than AIR

10605774

Not in AIR  
Not in AIR  
Not in AIR  
Not in AIR

23547796  
credit Bal

Not in AIR

288482

3249.87

10349.56

4

Rebates

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Dec 16, 2011

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
CDN	60	\$ 25,000.00	\$ (13,348.05)	\$ -	\$ -	\$ -	\$ (13,348.05)	
BUGATTI DESIGN INC.	60	\$ 350,000.00	\$ (30,178.07)	\$ (22,341.95)	\$ (2,052.02)	\$ -	\$ (54,572.04)	
LBC CANADA INC.	45	\$ 975,000.00	\$ -	\$ (98,262.28)	\$ (7,775.46)	\$ -	\$ (106,037.74)	
KRAUS CANADA INC. (HO)	31	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
BOBLEN INC.	31	\$ 175,000.00	\$ (1,037.84)	\$ -	\$ -	\$ -	\$ (1,037.84)	
MATELAS DAUPHIN INC.	60	\$ 30,000.00	\$ -	\$ (6,680.37)	\$ -	\$ -	\$ (6,680.37)	
COURT 1 SPORTS INC.	46	\$ 75,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	
TEXTILES LETOURNEAU	60	\$ 50,000.00	\$ (4,282.40)	\$ -	\$ -	\$ -	\$ (4,282.40)	
REMBOLRAGE A.N.P.	60	\$ 60,000.00	\$ (5,762.70)	\$ -	\$ -	\$ -	\$ (5,762.70)	
MATELAS RENE INC.	30	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
SEAWAY PLASTICS LTEE	60	\$ 60,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
SERV. CORR. DU CANADA	60	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
PRINCESSE	60	\$ 45,000.00	\$ -	\$ (3,874.65)	\$ (514.01)	\$ -	\$ (4,388.66)	
REMI CARRIER INC.	45	\$ 100,000.00	\$ (11,041.20)	\$ -	\$ -	\$ -	\$ (11,041.20)	
PROQUAI INC.	60	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
ROUILLARD INC.	60	\$ 85,000.00	\$ (15,683.00)	\$ -	\$ -	\$ -	\$ (15,683.00)	
MATELAS SIESTA	75	\$ 35,000.00	\$ -	\$ (4,447.33)	\$ (1,652.19)	\$ -	\$ (6,099.52)	
ROCKLAND TEXTILES INC.	60	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
MATELAS PRESTIGE	15	\$ 75,000.00	\$ (10,338.70)	\$ -	\$ -	\$ -	\$ (10,338.70)	
ARTOPEX PLUS INC.	31	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
LITERIE DORMATEX INC.	60	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
MANUFACTURE DE MATELAS	31	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
INDUSPAC INC.	75	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
WESTBORO FLOORING INC.	31	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
EXCEL RSVC MOUSSE FOAM	60	\$ 60,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
MEUBLES BELISLE INC.	60	\$ 95,000.00	\$ -	\$ -	\$ (10,529.88)	\$ -	\$ (10,529.88)	
MATELAS ORTHOPEDIQUE	60	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
BELPRO MEDICAL INC.	30	\$ 35,000.00	\$ (3,778.58)	\$ (4,906.24)	\$ -	\$ -	\$ (8,684.82)	
SEARS CANADA INC.	45	\$ 45,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
AD MATS CORPORATION	75	\$ 65,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
MATELAS BEAU REVE INC.	60	\$ 20,000.00	\$ (8,219.50)	\$ -	\$ -	\$ -	\$ (8,219.50)	
BARRY SUPPLIES & FABRIC INC.	75	\$ 175,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
WESCO NA INC.	60	\$ 40,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
SPORT SYSTEMS CANADA INC.	60	\$ 10,000.00	\$ -	\$ (3,249.87)	\$ -	\$ -	\$ (3,249.87)	
BEAULIEU CANADA	31	\$ 175,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
PAVAR FURNITURE INC.	60	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
G. ROMANO INC.	75	\$ 60,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
21 ORTHEX CANADA ENR	60	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
JAYMAR BMX	30	\$ 75,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
VALENTINO INC.	60	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	
SUB TOTAL GDN		\$ 3,495,500.00	\$ (103,870.04)	\$ (143,762.69)	\$ (22,523.56)	\$ -	\$ (250,156.29)	\$ -

Rebates

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Dec 16, 2011

3 ELRAN	15 \$	500,000.00	\$	(186,474.37)	\$	(66.42)	\$	(355,378.95)	\$	350,000.00
7 SYLCO INC.	75 \$	55,000.00								50,000.00
12 LITERIE DRUMMOND LTEE	60 \$	30,000.00								14,000.00
10 GESCO LTD PARTNERSHIP	31 \$	600,000.00	\$	(4,075.35)	\$	(6,274.21)	\$	(10,349.56)	\$	20,000.00
18 D&R FOAM	60 \$	175,000.00	\$	(20,376.34)	\$		\$	(20,376.34)	\$	75,000.00
22 SIEGES DUCHARME INTERNA	75 \$	150,000.00								75,000.00
1 LES MEUBLES VANTAGE 1000	60 \$	38,000.00								25,000.00
2 MATELAS D'OR 9053-9834 QI	75 \$	200,000.00	\$		\$		\$	(17,091.12)	\$	200,000.00
11 L. DAVIS TEXTILES (1991) INC.	45 \$	25,000.00								35,000.00

SUB TOTAL CDN Insured	\$	1,773,000.00	\$	(210,926.06)	\$	(175,112.37)	\$	(66.42)	\$	(17,091.12)	\$	(403,195.97)	\$	844,000.00
14 MATELAS MARTIN	90 \$	375,000.00												80,000.00
25 SUBAR	90 \$	325,000.00												75,000.00
26 TISSUS MORICO INC.	90 \$	150,000.00												100,000.00
5 BOZANTO INC.	90 \$	400,000.00	\$		\$	(5,272.15)	\$		\$		\$	(5,272.15)	\$	25,000.00
SUB TOTAL CDN Insured Net 90	\$	1,250,000.00	\$		\$	(5,272.15)	\$		\$		\$	(5,272.15)	\$	280,000.00

SUB TOTAL GANNA COUNT

TOTAL GROSS

TOTAL OFFER

SUB TOTAL CDN

SUB TOTAL CDN Insured

SUB TOTAL CDN Insured Net 90

SUB TOTAL GANNA COUNT

TOTAL OFFER

VALLE FOAM INDUSTRIES INC.  
A Z SPONGE & FOAM

45 \$	1,750,000.00
60 \$	125,000.00

\$	(314,596.10)	\$	(324,147.21)	\$	(22,588.98)	\$	(17,091.12)	\$	(688,819.64)
\$	(62,202.02)	60%	(66,257.61)	\$	(13,514.14)	\$		20%	(161,973.77)
\$	(126,555.64)	60%	(105,067.42)	\$	(39.85)	\$	(10,254.67)	60%	(241,917.58)
\$		60%	(3,163.29)	\$		\$		60%	(3,163.29)
\$				\$		\$		30%	(3,148.57)
\$	(188,757.66)	\$	(194,488.33)	\$	(13,553.99)	\$	(10,254.67)	\$	(410,203.22)

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Dec 16, 2011

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
USD							
JEFFCO FIBRES INC.	45 \$	1,977,571.00	(154,915.23)	(253,095.36)	\$ (2,735.09)	\$	(410,745.68)
OTIS BED MANUFACTURING	60 \$	395,514.00					
EURASIA HOLDING (PVT) LTD	COD \$	9,606.00					
<b>SUB TOTAL USD</b>	\$	<b>2,382,691.00</b>	<b>(154,915.23)</b>	<b>(253,095.36)</b>	<b>\$ (2,735.09)</b>	<b>\$</b>	<b>(410,745.68)</b>
19 NRF DISTRIBUTORS INC.	30 \$	249,748.00	(2,683.60)				(2,683.60)
6 C.D.S. INC.	31 \$	120,071.00					
20 NORTH BROOK FARMS INC.	30 \$	48,028.00					
<b>SUB TOTAL USD Insured</b>	\$	<b>417,847.00</b>	<b>(2,683.60)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,683.60)</b>
27 WCW INC.	90 \$	1,344,796.00					
<b>SUB TOTAL USD Insured Net 90</b>	\$	<b>1,344,796.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

SUB TOTAL GANNA COUNT

TOTAL GROSS \$ (157,598.83) \$ (253,095.36) \$ (2,735.09) \$ (413,429.28)  $\times 1.03621 = (428,359.55)$

TOTAL OFFER

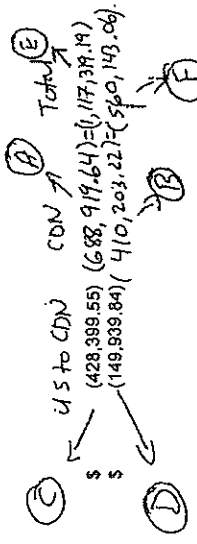
SUB TOTAL USD	35%	(54,220.33)	35%	(88,583.38)	35%	(957.28)	10%	(143,760.99)
SUB TOTAL USD Insured	35%	(939.26)	35%	-	35%	-	35%	(939.26)
SUB TOTAL USD Insured	35%	-	35%	-	35%	-	35%	-
SUB TOTAL GANNA COUNT	0%	-	-	-	-	-	0%	-

TOTAL OFFER

\$ (55,159.59) \$ (88,583.38) \$ (957.28) \$ (144,700.25)  $\times 1.03621 = (149,939.84)$

USD CONVERTED TO CDN  
EXCHANGE RATE DEC 16, 2011  
TOTAL CDN GROSS  
TOTAL CDN OFFER

1.03621



Schedule 4.1(c)  
Confidentiality Agreement

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*See document attached  
nine (9) pages*

**CONFIDENTIAL**

Domfoam International Inc.  
8785 Langelier Blvd  
St Leonard, QC  
H1P 2C9

**Attention John Howard**

Re: Domfoam International Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (collectively, the "Corporation") – Proposed Sale of Assets ("Proposed Transactions")

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We have requested that the Corporation provide us (the "Interested Party") with the Confidential Information (defined below) to assist in determining for ourselves the desirability and feasibility of proceeding with the Proposed Transactions pursuant and subject to the terms and conditions set by the Corporation (the "Permitted Purpose") and contained herein.

It is acknowledged that but for delivery of this letter the Corporation would not provide the Interested Party such Confidential Information.

Upon acceptance of this letter by the Corporation and subject to the provisions thereof, the Corporation shall provide or cause to be provided to the Interested Party such Confidential Information as the Corporation in the exercise of its unfettered discretion may determine.

**"Confidential Information"** means all financial statements and information and all data, compilations, analysis, documentation, and other information and every part thereof, whether in electronic form or otherwise, which now or hereafter comes into the possession or under the control of the Interested Party or its Representatives (defined below) including, without limitation, that relating to the Corporation's business organization, business operations and systems, Know-how, business plans, Research Information, Customer Information, suppliers, financial structure, Financial Information, Supplied Information, Marketing Information, assets, employees, employee relationships, Software and other information of any kind relating to any of the foregoing and includes all data, compilations, analysis and other documents and information prepared by or on behalf of the Interested Party or by any of the Representatives based, in whole or in part, on any of the foregoing, but expressly excluding any reports or analysis of the Corporation conducted by any professionals retained by or with respect to the Corporation, including, without limitation, Deloitte LLP, in connection with the current financial state of the Corporation, any restructuring scenarios available to the Corporation, and any analysis of the value of the Corporation or its assets.

For the purposes of this letter:

- (a) "Corporation" shall include and extend to each subsidiary of the Corporation, each partnership controlled by the Corporation or their

respective subsidiaries, each of whom shall be entitled to directly enforce the provisions of this letter against the Interested Party notwithstanding that this letter is not directly addressed to or required to be accepted by any one or more of such subsidiaries and partnerships;

- (b) **"Customer Information"** includes any information pertaining to the Corporation's customers, prospective customers, customer base and markets, prospective customer base and markets, including customer or prospective customer names and addresses and the names of employees of customers or prospective customers with whom the Corporation is in contact in its business, or proposes to contact, customer or prospective customer requirements and the Corporation's contracts with its customers or prospective customers, including details as to pricing, supply of services, and royalty and/or commission rates;
- (c) **"Financial Information"** includes any and all information pertaining to the Corporation's actual or anticipated sales, income, projections, profit, profitability, pricing, salaries and wages;
- (d) **"Know-how"** includes the accumulated skills, experience, knowledge, patents, intellectual property, information, data, patterns, designs, engineering specifications, schematics and other information with respect to the design, production and provision of the products and/or services offered by the Corporation's business or proposed business and of the Software related thereto;
- (e) **"Marketing Information"** includes information including but not limited to the Corporation's marketing programs, plans, strategies and proposed future products, services, advertising and promotions.
- (f) **"person"** shall be broadly interpreted to include, without limitation, any individual, corporation, limited liability corporation, company, group, partnership, limited liability partnership or other entity.
- (g) **"Representatives"** means, collectively, each of the directors, officers, employees, agents and other representatives of the Interested Party or the Corporation (as the case may be) including, without limitation, their respective lawyers, accountants, consultants and financial advisors;
- (h) **"Research Information"** includes information pertaining to any research, development, investigation, study analysis, experiment or test carried on or proposed to be carried on by the Corporation;
- (i) **"Software"** includes all methods, programs, techniques and other information and materials relating to the handling or treatment of data by computers and all other necessary information utilized in order to provide the services offered by the Corporation's business or proposed business and all documentation thereto, and includes all computer programs, including

Supprimé: and



HTML, JAVA, UNIX, LINUX, GNU, C++, and other internet oriented computer programs, systems software and application programs, and all related manuals, documentation and materials relating to the systems software and application programs;

- (j) "Supplied Information" includes all business information, computer software and technology which is proprietary to any other person doing business with the Corporation and which is made available to the Corporation under conditions of confidentiality.

At the request of the Corporation and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Interested Party covenants and agrees with the Corporation as follows:

- 1. Deemed Confidential Property:** As between the Corporation and the Interested Party, the Confidential Information, and every part thereof, is and shall at all times be deemed to be the confidential property and constitute valuable trade secrets of the Corporation, whether or not, but for this paragraph, the same would otherwise be considered confidential and/or trade secrets and whether or not it is marked or otherwise expressed on its face to be confidential.
- 2. Ownership:** The Confidential Information is and shall be deemed to be owned solely by the Corporation and the right to maintain confidential the Confidential Information constitutes an exclusive proprietary right of the Corporation which it is entitled to protect. The Interested Party does not and shall be deemed not to have any right to or proprietary interest in the Confidential Information. All of the Confidential Information which is disclosed to or otherwise comes into the possession or under the control of the Interested Party shall, subject to paragraph 5 below, be received and held by the Interested Party in trust solely for the Corporation notwithstanding the Interested Party's right to use it for the Permitted Purpose.
- 3. Permitted Use:** The Confidential Information shall only be used directly by the Interested Party and its Representatives for the Permitted Purpose. Except as otherwise provided for herein, the Confidential Information will be kept strictly confidential by the Interested Party, whether or not such Confidential Information is marked or otherwise expressed on its face to be confidential. Other than as permitted herein, the Interested Party will not, directly or indirectly, without the prior written consent of the Corporation (which consent may be arbitrarily withheld) disclose, publish, reproduce or otherwise disseminate or communicate the Confidential Information, nor will it permit, cause or acquiesce in such disclosure or other dissemination or communication of the Confidential Information by the Representatives of the Interested Party or by any other person, all in any manner whatsoever, in whole or in part.

The Interested Party agrees to restrict the disclosure, dissemination or other communication of the Confidential Information solely to such of the Interested Party's Representatives who need to know the Confidential Information for the Permitted Purpose and the Interested Party shall inform its Representatives of the ownership and strict confidential nature of the Confidential Information.

Supprimé: of

Supprimé: who are

Supprimé: ed

Supprimé: in writing by the Interested Party

Supprimé: and who agree in writing with the Interested Party to be bound by the terms of this letter

4. **Disclosure List & Responsibility for Representatives:** The Interested Party shall maintain a current listing of each of its Representatives to whom any of the Confidential Information has been disclosed or otherwise disseminated or communicated and on each and every request of the Corporation, the Interested Party shall without delay deliver to the Corporation a complete and accurate copy of such list. The Interested Party shall similarly deliver on request, the following information:

- (a) name of the any law firms, accounting firms and consulting firms (the "Firms") involved with the Interested Party as its Representatives;
- (b) name of the person in charge for each Firm;
- (c) business address and telephone number to reach the person in charge for each Firm;

Supprimé: of any or all persons set out on the said list

The Interested Party shall be responsible and liable to the Corporation for any and all acts or omissions of each of its Representatives which if done or omitted directly by the Interested Party would be a breach of the provisions of this letter.

The Interested Party shall safeguard the Confidential Information from disclosure or other dissemination or communication to any person other than as expressly permitted herein.

5. **Exceptions to Prohibited Use:** The obligations and limitations imposed on the Interested Party and its Representatives hereunder shall not apply to any Confidential Information:

- (a) which is or becomes generally available to the public other than as a result of its disclosure or other dissemination or communication by the Interested Party or its Representatives; or
- (b) which becomes available to the Interested Party or its Representatives on a non-confidential basis from a source other than the Corporation or its Representatives, provided that such source is not then bound by a confidentiality agreement with the Corporation or otherwise prohibited from transmitting the Confidential Information to the Interested Party or its Representatives by contractual, legal or fiduciary obligation, or
- (c) which is already in possession of the Interested Party, provided that such Confidential Information is not subject to another confidentiality agreement or non disclosure agreement with the Corporation.

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In addition, the obligations and restrictions imposed on the Interested Party and its Representatives hereunder shall not extend to prohibit the Interested Party from discussing the Proposed Transactions with and disclosing any of the Confidential Information to:

- (i) any other person who has signed a confidentiality agreement with the Corporation in substantially the form of the agreement constituted by this letter regarding any of the Proposed Transactions; and

- (ii) any governmental or regulatory body in Canada having jurisdiction over the operations of the Corporation or any part thereof or over the Interested Party in connection with its participation in any of the Proposed Transactions, provided that the disclosure, dissemination or other communication of any of the Confidential Information to such governmental or regulatory body is made on a confidential basis and such confidential basis is either provided for by applicable law or recognized in writing by the relevant body.

Notwithstanding the foregoing provisions of this paragraph 5, in the event that the Interested Party or its Representatives are required by law or governmental action to disclose any of the Confidential Information, the Interested Party and/or its Representatives will, on a best effort basis, deliver to the Corporation prompt prior notification of such requirement(s) so that the Corporation may seek an appropriate protective order and/or waive compliance by the Interested Party or its Representatives with the provisions of this letter. If, failing the obtaining of a protective order or the delivery of such a waiver, the Interested Party is, in the opinion of its legal counsel, compelled to disclose, disseminate or otherwise communicate the Confidential Information, the Interested Party may disclose, disseminate, or otherwise communicate the Confidential Information, but only to the extent so compelled, without liability hereunder.

Supprimé: written

6. **Return of Information:** The Interested Party shall, on receipt of the written request of the Corporation, promptly deliver to the Corporation all of the Confidential Information which is in recorded form (whether such form be in writing or in electronically retrievable form or electronically stored data or otherwise) and each of the Interested Party and its Representatives shall not retain any copies thereof.
7. **No Liability for Information:** At the time(s) any of the Confidential Information is delivered to the Interested Party, the Corporation will attempt to include in such Confidential Information such materials which the Corporation considers to be reliable and relevant for the Permitted Purpose; however, the Corporation shall not have or incur any, and the Interested Party hereby waives any right to claim any, liability to the Interested Party or its Representatives in connection with or arising from the Confidential Information and the use thereof by the Interested Party or its Representatives.

The Interested Party acknowledges and agrees for itself and its Representatives that neither the Corporation nor any of its Representatives in providing the Confidential Information has or will be taken to have made either expressly or impliedly any representations or warranties as to the accuracy or completeness of the Confidential Information and the Interested Party confirms that it is not relying on any representations or warranties of the Corporation or its Representatives in making use of the Confidential Information.

8. **Indemnity:** The Interested Party hereby unconditionally indemnifies and shall forever save harmless the Corporation from and against any and all losses, damages, liabilities (whether actual, contingent or otherwise), proceedings, costs and expenses including, without limitation, legal fees (on a scale as between a solicitor and his own client), which the Corporation or its Representatives may suffer, incur or sustain in

connection with or as a result of a breach by the Interested Party or any of its Representatives of any of the provisions contained in this letter.

All of the provisions contained herein are reasonable in the circumstances and valid and the Interested Party hereby waives all defences, equities and rights to and against the strict enforcement thereof by the Corporation and its Representatives.

Supprimés: rights of set off.

9. **Continuity of Agreement:** The prohibitions, limitations and obligations of the Interested Party herein contained shall continue in full force and effect notwithstanding the Interested Party ceasing to proceed with any of the Proposed Transactions and will survive any termination or cancellation of its involvement, if any, in the Proposed Transactions.
10. **Use of Information Post Involvement:** The Interested Party shall not, at any time after it ceases to proceed with or be involved in the Proposed Transactions and except as otherwise expressly provided for herein: (i) use any of the Confidential Information in furtherance of the business of the Interested Party or the business of any other person; (ii) interfere in any way with any contractual or other business relationship of the Corporation; (iii) disclose, disseminate or otherwise communicate the Confidential Information or any part thereof to any person or utilize the Confidential Information in any way which is adverse to the Corporation; or (iv) directly or indirectly solicit for employment any person who is now employed by the Corporation, unless the Corporation otherwise agrees in writing prior to such solicitation for employment.
11. **Right to Enjoin:** It is acknowledged that the provisions of this letter are essential for the protection of the Corporation and, in the event of the non-performance of any provisions hereof in strict accordance with their specific terms or any breach of any provisions of this letter, the same would cause immediate and irreparable harm and damage to the Corporation for which monetary relief would be inadequate or impossible to ascertain. The Interested Party agrees that upon any breach or threatened breach of the provisions hereof, the Corporation shall be entitled to obtain from any court of competent jurisdiction, interim and permanent injunctive relief or other appropriate form of equitable relief to effectively enforce the provisions hereof, and an accounting of all profits and benefits which may have been or which may be derived both directly or indirectly, as a direct or indirect result of such breach by the Interested Party or any of its Representatives who have committed or who have threatened to commit such breach, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Corporation may be entitled.

No failure or delay by the Corporation in exercising or taking steps to enforce any of its rights or entitlements under the provisions of this letter shall operate as a waiver thereof, unless such waiver is in writing and signed by the Corporation, nor shall any single or partial exercise thereof preclude any other or future exercise of any other right or entitlement of the Corporation hereunder.

12. **Notices:** Any notice desired, contemplated or required by this letter to be given shall be delivered by hand or facsimile to:

(a) the Corporation at:

8785 Langelier Blvd.  
St Leonard, QC H1P 2C9

Attention: John Howard  
Telephone No. 514-325-8120  
Facsimile No. 514-325-6477

Supprimé:  
Supprimé:  
Supprimé: 1  
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(b) the Interested Party at:

8600 Decarie Blvd  
Suite 200  
Town of Mount Royal, QC, H4P 2N2

Attention: Frank J. Gattinger  
Telephone No. 514-341-8600  
Facsimile No. 514-340-1389

Supprimé:  
Supprimé:  
Supprimé: 1  
Supprimé: Quebec  
Supprimé:  
Supprimé:  
Supprimé:

With copy to:

Lamarre Perron Lambert Vincent  
480 Saint-Laurent Blvd.  
Suite 200  
Montreal, QC H2Y 3Y7

Attention: Jacques Vincent  
Telephone No. 514-798-0990  
Facsimile No. 514-798-5599

13. **Applicable Law:** The provisions of this letter shall be governed by and construed and enforced exclusively in accordance with the laws of Quebec and the federal laws of Canada applicable therein.

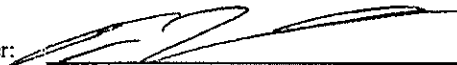
Supprimé: Ontario

The Corporation is requested to evidence its agreement and acceptance of the provisions of the letter by signing and returning the enclosed copy thereof which has been signed by the Interested Party, whereupon this letter will constitute the binding agreement between the Interested Party and the Corporation with respect to the subject matter thereof.

Yours very truly,

S.P. Holdings Canada Inc. or Nominee

Per:

  
T.I. POMEYANTZ

Supprimé: 1  
Per: [ ]

| TO: S.P. Holdings Canada Inc, or Nominee

Accepted and agreed to with effect as of the date set out above.

DOMFOAM INTERNATIONAL INC.

Per: John C Howard

Per: JOHN C. HOWARD

| NDA y2a

Per: \_\_\_\_\_

**Schedule 5.1(o)**

**List of assets to be acquired by the Vendor**

**From Valle Foam Industries (1995) Inc.**

**Prior to initiating the CCAA Proceedings**

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*See document attached  
one (1) page*



Equipment to be Acquired From Valle Foam

Bonded foam peeler and boring machine  
Foam shredding line c/w blower  
2 shredded foam storage bins c/w fluffer arms, gearboxes and drives (2 units @ \$5,000 each)  
Baumer contour saw c/w infeed and outfeed conveyors  
Wyntec contour saw c/w infeed and outfeed conveyors  
Convoluter - Edge Saw 88" capacity  
Carrousel (of Chinese manufacture)  
Automatic wrapping machine (built at Domfoam in 1996)  
Automatic vertical saw  
Zwick foam tester

Dismantle, transport and reassemble at Domfoam

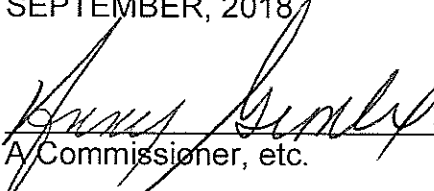
Additional Items

Foam shredding line c/w blower  
floor scale  
Laminator unwind set-up  
Laminator heating system  
Underlay sealer  
Web align unit  
Air compressor  
H.P. boiler 50 HP

Dismantle, transport and reassemble at Domfoam

**Tab B**

THIS IS EXHIBIT "B" TO THE  
AFFIDAVIT OF JACQUES VINCENT  
SWORN THIS 13<sup>th</sup> DAY OF  
SEPTEMBER, 2018

  
A Commissioner, etc.



Anny Groulx

---

**ASSET PURCHASE AGREEMENT**

Made as of the 22<sup>nd</sup> day of February, 2012

Between

**4037057 CANADA INC.**

- and -

**DOMFOAM INTERNATIONAL INC.**

---

## ASSET PURCHASE AGREEMENT

This Agreement is made as of the 22<sup>nd</sup> day of February, 2012,

### BETWEEN:

4037057 CANADA INC., a corporation existing under the laws of Canada  
(hereinafter referred to as the "**Purchaser**")

- and -

DOMFOAM INTERNATIONAL INC., a corporation existing under the laws  
of Canada  
(hereinafter referred to as the "**Vendor**")

### RECITALS

- A. The Vendor carries on the Business and is willing to sell the Purchased Assets to the Purchaser;
- B. The Vendor has commenced proceedings in the Ontario Superior Court of Justice of the judicial district of Toronto (the "**CCAA Court**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") pursuant to which, among other things, Deloitte has been appointed as the monitor (the "**Monitor**") ; and
- C. The Vendor has agreed to sell and transfer and assign to the Purchaser and, subject to the issuance of the Approval Vesting Order, the Purchaser has agreed to purchase from the Vendor, subject to the conditions contained herein, all of the Vendor's interest in and to the Purchased Assets;

**NOW THEREFORE** this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party to the other, the parties agree as follows:

### Section 1 – INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Agreement**" means this asset purchase agreement;
- (b) "**Allocation of Purchase Price**" has the meaning set out in Section 2.12;
- (c) "**Approval and Vesting Order**" means an Order of the CCAA Court, in form and content satisfactory to both the Purchaser and the Vendor, acting reasonably, which approves the

Vendor entering into this Agreement and the Transactions contemplated hereunder and vesting the Purchased Assets in the Purchaser free and clear of all liens, charges, pledges, security interests and other encumbrances;

- (c.1) "**Assigned Contracts**" has the meaning set out in Section 2.3;
- (d) "**Assumed Employees**" has the meaning set out in Section 2.5;
- (e) "**Assumed Obligations**" has the meaning set out in Section 2.6;
- (e.1) "**BASF Receivables**" has the meaning set out in Section 2.9;
- (f) "**Books and Records**" means all books and records and the data contained therein, whether in paper or electronic form, in the possession of the Vendor relating to the Purchased Assets or the Assumed Obligations (other than accounting records and books and records required by applicable law to be retained by the Vendor, copies of which shall be provided to the Purchaser at the Vendor's cost), including all policies, plans, audit reports, all personnel, employment, payroll and training records relating to the Assumed Employees, customer lists, Customer Contracts, sales records, price lists, and all other related files, records and information in the possession of the Vendor relating to the Purchased Assets or the Assumed Obligations, but, for certainty, not including (i) such books, records and data relating to any of the Excluded Assets or the Excluded Obligations or (ii) the corporate minute books of the Vendor or any of its Subsidiaries;
- (g) "**Business**" means collectively the business, affairs and operations of the Vendor, which for greater certainty, excludes the Subsidiaries businesses; the Vendor is in the business of manufacturing and selling polyurethane foam in Canada and, to a minimum extent, in the United States of America, for the bedding, carpet underlay, furniture and industrial industries;
- (h) "**Business Day**" means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (i) "**CCAA**" has the meaning set out in the recitals hereof;
- (j) "**CCAA Court**" has the meaning set out in the recitals hereof;
- (k) "**Closing**" means the successful completion of the Transaction;
- (l) "**Closing Date**" means the Business Day following the date on which the Approval and Vesting Order is granted;
- (m) "**Contracts**" means the agreements as described in Schedule 1.1(m), as the same may be modified by the Purchaser from time to time pursuant to Section 2.8;
- (n) "**Customer Contracts**" means the Vendor's contracts, agreements, instruments and other legally binding commitments or arrangements, written or oral, concerning the provision of services by the Vendor to its customers including but not limited to those contracts listed in Schedule 1.1(n) attached hereto;
- (o) "**Deposit**" has the meaning set out in Section 2.11(a);

- (p) **"DIP Financing"** has the meaning set out in Section 5.1(n);
- (q) **"Email"** has the meaning set out in Section 7.4;
- (r) **"Equipment"** means all of the Vendor's equipment (including the Vendor's computer and computer accessories), office equipment, furniture, fixtures, furnishings and supplies of all kinds in the possession or control of the Vendor on the Closing Date, whether owned by the Vendor or in which the Vendor has an interest pursuant to an equipment operating lease or a security agreement;
- (r.1) **"Equipment Operating Leases"** means all operating leases of equipment or other personal property used by the Vendor as a lessee or under which the Vendor has rights as lessee and listed on Schedule 1.1(r.1) attached hereto;
- (s) **"ETA"** means the *Excise Tax Act* (Canada);
- (t) **"Excluded Assets"** has the meaning set out in Section 2.2;
- (u) **"Excluded Employees"** has the meaning set out in Section 2.5;
- (v) **"Excluded Obligations"** has the meaning set out in Section 2.7;
- (w) **"Initial Order"** means the Order of the CCAA Court obtained on January 12, 2012 in the CCAA Court file no. CV-12-9545-00CL;
- (x) **"Intellectual Property"** means the following intellectual property:
  - (i) all designs, graphics, slogans and other commercial symbols and all registrations and applications therefor;
  - (ii) all patents, patent rights (including divisions, reissues, renewals, re-examinations, continuations, continuations in part and extensions) and all applications therefor;
  - (iii) all copyrights, writings and other copyrightable works of authorship, including computer programs, databases and documentation therefor, integrated circuit topographies, industrial designs and other industrial property rights and all applications and registrations therefor and all renewals or extensions of such applications and registrations;
  - (iv) all proprietary and non-public business information, including know-how, trade secrets, improvements, concepts, ideas, technical data, drawings, specifications therefor, business methodologies and processes, confidential information and any licensed property or technology; and
  - (v) all goodwill and trademarks in whatever format, including without limitation, registered and unregistered trademarks, trade names, brand names, service marks, logos, copyrights, certification marks, drawings, permits, internet and electronic email addresses, URLs, telephone, telex and facsimile numbers, content of websites and domain names related to or connected with the business carried on by the Vendor, all related software and electronic code to the extent assignable and other similar intellectual property or intangibles of the Vendor;

- (y) "**Interim Period**" means the period between the date of acceptance of this Agreement by the Vendor and the Closing Date;
- (z) "**Leased Premises**" means the premises leased and occupied by the Vendor at:
  - (i) 8785 Langelier Blvd., (Saint-Leonard) Montreal, Québec, H1P 2C9;
  - (ii) 5675 Des Grandes-Prairies Blvd., (Saint-Leonard) Montreal, Québec, H1R 1B3;
  - (iii) 7525 Henri Bourassa East, Montreal, Québec, H1E 1N9;
- (aa) "**Material Adverse Change**" means the loss by the Vendor, during the Interim Period, of customers representing, in the aggregate in the past twelve (12) months, revenues of \$2,5M or more;
- (bb) "**Monitor**" has the meaning set out in the Recitals;
- (cc) "**Objection Notice**" has the meaning set out in Section 2.10;
- (dd) "**Offer Date Inventory Value**" has the meaning set out in Section 2.9;
- (ee) "**Offer Date Receivable Value**" has the meaning set out in Section 2.9;
- (ff) "**Order**" means any order, directive, judgment, decree, award or writ of any tribunal;
- (gg) "**Purchase Price**" has the meaning set out in Section 2.9;
- (hh) "**Purchased Assets**" means the right, title and interest of the Vendor in and to the assets described in Schedule 1.1(hh), provided that the Purchased Assets shall not include any Excluded Assets;
- (ii) "**Purchased Inventories**" has the meaning set out in Section 2.9;
- (jj) "**Purchased Receivables**" has the meaning set out in Section 2.9;
- (kk) "**Purchased Working Capital**" has the meaning set out in Section 2.10;
- (ll) "**QSTA**" means an *Act respecting the Quebec Sales Tax*.
- (mm) *Withdrawn*;
- (nn) "**Schedules**" means any and all schedules referred to in this Agreement and attached thereto;
- (oo) "**Subsidiary(ies)**" means each of (i) Valle Foam Industries (1995) Inc. having its registered office at 4 West Drive, Brampton (Ontario) L6T 2H7, and (ii) A-Z Sponge & Foam Products Ltd. having its registered office at 811 Cundy Ave., Annacis Island, Delta (British Columbia) V3M 5P6. Those corporations being referred to individually as a "**Subsidiary**" and collectively as "**Subsidiaries**";
- (pp) "**Taxes**" has the meaning set out in Section 2.13;



- (qq) **"Tax Return"** means a report, return or other information or form required to be supplied to a governmental entity with respect to any Taxes;
- (rr) **"Time of Closing"** means 2:00 p.m. (Toronto Time) on the Closing Date or such other time on the Closing Date as the parties may mutually agree;
- (ss) **"Transaction"** means the transaction of purchase, sale, assignment and assumption contemplated by this Agreement;
- (tt) **"Unionized Employees"** has the meaning set out in Section 2.5; and
- (uu) **"Vendor's Intellectual Property"** means all Intellectual Property used by the Vendor as at the Closing Date, including any Intellectual Property listed in Schedule 1.1(uu) attached hereto.

**1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

**1.3 Extended Meanings**

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

[Section 1.4 follows on next page]

#### 1.4 Schedules

The following schedules are incorporated in and form part of this Agreement:

Schedule 1.1(m)	Contracts
Schedule 1.1(o)	Customer Contracts
Schedule 1.1(r.1)	Equipment Operating Leases
Schedule 1.1(hh)	Purchased Assets
Schedule 1.1(uu)	Vendor's Intellectual Property
Schedule 2.2	Excluded Assets
Schedule 2.6	Assumed Obligations
Schedule 2.9(A)	Purchased Receivables
Schedule 2.9(B)	Purchased Inventories
Schedule 2.9(E)	Excess rebates to customers
Schedule 4.1(c)	Confidentiality Agreement
Schedule 5.1(o)	List of assets to be acquired from Valle Foam Industries (1995) Inc.

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[Section 2 follows on next page]

## Section 2 – SALE AND PURCHASE AND ASSIGNMENT

### 2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor the Purchased Assets on the Closing Date. The Purchaser acknowledges that it is not purchasing any other property or assets of the Vendor other than the Purchased Assets. The Purchaser acknowledges and agrees that this Agreement contains a condition (not capable of waiver) that, prior to the Closing, the Vendor shall have obtained the Approval and Vesting Order, as provided in this Agreement. If the Vendor shall not have obtained the Approval and Vesting Order after making application for the same, this Agreement shall automatically terminate without any further action on the part of any of the Vendor or the Purchaser and neither party hereto shall be under any further obligation to the others to complete the Transactions and each party hereto shall be released immediately of all of its obligations hereunder, other than as set forth in Sections 6.6(b) (return of the Deposit), 4.1(c) (Confidentiality Agreement) and 7.3 (Cost and Expenses).

### 2.2 Excluded Assets

The Purchased Assets shall not include (i) any assets of the Vendor other than the Purchased Assets or (ii) those assets of the Vendor that are listed or described in Schedule 2.2 on the date hereof and those assets of the Vendor which are added to such Schedule 2.2 by the Purchaser during the Interim Period (collectively, the "Excluded Assets"). If any of the Excluded Assets or any proceeds in respect thereof shall at any time come into the possession of or under the control of the Purchaser or any of its employees, officers or agents, such assets and proceeds shall be held by the Purchaser in trust for the benefit of the Vendor. Within fifteen (15) Business Days from the date on which the Purchaser, or any of its employees, officers or agents, comes into possession of or obtains control over any of such assets or proceeds, as applicable, the Purchaser shall (a) by notice in writing delivered to the Vendor and the Monitor in accordance with the provisions hereof, so advise the Vendor and the Monitor, and (b) forthwith account and deliver over to the Vendor or the Monitor any such assets or proceeds, less any reasonable costs incurred by the Purchaser in executing said obligations.

### 2.3 Assignment and Assumption of Contracts

Subject to the conditions and terms hereof, the Vendor and the Purchaser agree to work cooperatively and to use their commercial best efforts to obtain the consents or approvals to the assignment of the Customer Contracts and the Contracts or any other contract that the Purchaser may require to be added to Schedule 1.1(m) during the Interim Period (collectively the "Assigned Contracts"), as requested by the Purchaser acting reasonably, on terms and conditions satisfactory to the Purchaser. Except for any administration fee required to be paid to the person whose consent or approval has been requested in respect of any such Assigned Contract, the Vendor shall not be required to pay any amount or fee whatsoever in connection with the Vendor's covenant to attempt to obtain such consent or approval for such Assigned Contracts. The Purchaser agrees to supply all such information to the Vendor and the person whose consent or approval has been requested (including, without limitation, credit and financial information) as may be reasonably requested by the Vendor or the person whose consent or approval has been requested and to otherwise cooperate, acting reasonably, with the Vendor and the person whose consent or approval has been requested in connection with the foregoing. Notwithstanding any other provision of this Agreement, the failure of the Vendor or the Purchaser to have obtained any such consents or approvals requested by the Purchaser shall not entitle the Purchaser to terminate this Agreement or reduce the Purchase Price and shall not operate to release the Purchaser from any of its obligations hereunder.

To the extent the assignment of any of the Assigned Contracts assigned to the Purchaser pursuant to the provisions hereof shall require the consent or approval of any person and such consent or approval is not obtained at or prior to the Time of Closing, this Agreement shall not constitute a contract to assign such Assigned Contract if an attempted assignment would constitute a breach thereof. The Vendor shall co-operate with the Purchaser in any reasonable arrangement designed to provide the Purchaser with the benefit of such Assigned Contract including enforcement of any and all rights of the Vendor (if any) against the other party thereto arising out of any breach or cancellation thereof by such party or otherwise. Nothing contained herein shall be construed to negate or diminish, as between the Vendor and the Purchaser, the Vendor's covenants and obligations to transfer and deliver to the Purchaser the Purchased Assets as provided in this Agreement.

#### 2.4 "As is, Where is"

The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and the title to the Purchased Assets as it has deemed appropriate and has satisfied itself with regard to these matters. Without limiting the generality of the foregoing, the Purchaser acknowledges that there are no representations, warranties, terms, conditions, undertakings or collateral agreements, express or implied, statutory or otherwise, with respect to the Purchased Assets or with respect to any other matter or thing whatsoever except as otherwise expressly stated herein, including as to existence, title, encumbrances, description, fitness for purpose and merchantability concerning the Purchased Assets. The description of the Purchased Assets contained in the Schedule 1.1(hh) is for the purpose of identification only. The Purchased Assets are being purchased as they exist at execution hereof and, except as provided in Section 2.10, no adjustment will be allowed to the Purchaser for any change in condition, value, or quality of the Purchased Assets.

#### 2.5 Employees

The Vendor shall provide to the Purchaser within five (5) Business Days of the acceptance of this Agreement a list of the names of the individuals of the Vendor that are full-time, part-time or casual employees or individuals engaged on contract to provide services to the Vendor together with all recruitment agencies' employees actually working for the Vendor. The Purchaser agrees that it shall offer employment to (i) all the unionized employees employed by the Vendor (the "**Unionized Employees**") and (ii) substantially all other employees of the Vendor other than those employees or individuals that the Purchaser has identified in writing to the Vendor ("the "**Excluded Employees**") five (5) Business Days prior to the Closing Date (the Unionized Employees and such other employee or individual who accepts the Purchaser's offer, the "**Assumed Employees**"), effective as at the Time of Closing, on terms and conditions of employment as may be agreed between the Purchaser and the Assumed Employees (except in the case of the Unionized Employees whose employment terms shall be governed by the applicable collective bargaining agreement). Until the Closing Date, the Vendor shall be responsible for all wages, workers compensation contributions, accrued vacations, severance of any nature, any amount owed under the *Pay Equity Act* (R.S.Q., chapter E-12.001) and any regulation adopted under such Act, and other remuneration and benefits as may be payable, or related, to the employees of the Vendor. After the Closing Date, the Vendor shall remain responsible for all such amounts payable, or related to, the Excluded Employees.

## 2.6 Assumed Obligations

In connection with the acquisition of the Purchased Assets, the following obligations and liabilities ("**Assumed Obligations**") shall be assumed by the Purchaser as of the Time of Closing:

- (a) all obligations related to the Assumed Employees for the period beginning immediately after the Time of Closing;
- (b) all obligations and liabilities of the Vendor as of the Time of Closing under the Customer Contracts and the Contracts;
- (c) all obligations and liabilities in connection with the Purchased Assets and related to the period after the Time of Closing;
- (d) such other liabilities as the Purchaser advises the Vendor prior to the Time of Closing that the Purchaser will assume;
- (e) those obligations listed on Schedule 2.6 hereto.

The Purchaser shall indemnify and hold harmless the Vendor with respect to any claim which may, from time to time, be asserted against the Vendor relating to the Assumed Obligations after the Time of Closing and from any and all costs (including all reasonable legal costs on a solicitor and its own client basis), actions, losses, claims, damages and liabilities whatsoever which the Vendor may suffer or incur by virtue of the failure of the Purchaser to pay, perform and discharge the Assumed Obligations.

## 2.7 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable for any other liabilities or obligations of the Vendor (the "**Excluded Obligations**").

## 2.8 Purchaser's Right to Exclude

Notwithstanding anything to the contrary in this Agreement, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction prior to the Closing Date, whereupon such Purchased Assets shall be Excluded Assets, provided, however, that there shall be no corresponding reduction in the Purchase Price. For greater certainty, the Purchaser shall be entitled to exclude any of the Contracts described in Schedule 1.1(m) hereto (with the exception of the collective bargaining agreement relating to the Unionized Employees) and any of the Customer Contracts described in Schedule 1.1(n) hereto.

## 2.9 Purchase Price

The Purchase Price for the Purchased Assets would be, calculated as described hereinafter, the aggregate amount of three million five hundred sixty two thousand nine hundred and seventy five dollars (\$3,562,975) plus the assumption of the Assumed Obligations, said Purchase Price to be established as of the Closing Date (the "**Purchase Price**").

The Purchase Price is divided as follow:

(A)	Purchased Receivables:	\$2,450,976
(B)	Purchased Inventories:	\$946,586
(C)	<i>Withdrawn</i>	
(D)	All other Purchased Assets:	\$200,000
(E)	Excess rebates to customers	(\$34,587)

For more clarity, the Purchase Price has been established on the following method of calculation as for the Purchased Receivables and the Purchased Inventories, and same method of calculation shall be used to establish the final amount of the Purchase Price as of the Closing Date:

(A) Purchased Receivables

As of January 31, 2012, the total amount of all the Vendor's accounts receivable (the "**Purchased Receivables**") is five million nine hundred ninety six thousand six hundred and ninety two dollars (\$ 5,996,692) (the "**Offer Date Receivable Value**"), and is detailed in Schedule 2.9(A) – Section 1.

The portion of the Purchase Price attributed to the Purchased Receivables is two million four hundred fifty thousand nine hundred and seventy six dollars (\$2,450,976) and is calculated as described in Schedule 2.9(A) – Section 2.

(B) Purchased Inventories

As of January 11, 2012 (and for Chemicals (majors) and Small Chemicals, as of January 31, 2012), the total amount of all the Vendor's inventory (raw material, work in progress and finished goods inventory) (the "**Purchased Inventories**") is three million fifty six thousand and eleven dollars (\$3,056,011) (the "**Offer Date Inventory Value**") in Schedule 2.9(B) – Section 1.

The portion of the Purchase Price attributed to the Purchased Inventories is nine hundred forty six thousand five hundred and eighty six dollars (\$946,586) and is calculated as described in Schedule 2.9(B) – Section 2.

(C) BASF Receivables

*Withdrawn*

(D) Other Purchased Assets

The Purchaser is ready to pay the Vendor the amount of two hundred thousand dollars (\$200,000) for all the other Purchased Assets.

(E) Excess rebates to customers

The Purchase Price shall be reduced by the total amount of rebates earned by the Vendor's customers for the calendar year 2011 and not already applied to the outstanding invoices for each said customer at the Closing Time. As of January 27, 2012, the excess rebates to customers total thirty four

thousand five hundred and eighty seven dollars (\$34,587) as calculated in Schedule 2.9(E) and shall be adjusted as at the Closing Date using the same parameters.

## 2.10 Settlement of the Purchase Price

The Vendor and the Purchaser agree that the Purchase Price shall be adjusted as for the Purchased Receivables and the Purchased Inventories (collectively, the "**Purchased Working Capital**") as follows:

### (A) Re: Accounts receivable:

Subject to the limit established hereinafter in this paragraph, the Purchase Price payable in relation with the Purchased Receivables shall be adjusted downward or upward, as the case may be, as per the formula established in Schedule 2.9(A) – Section 2, in the event and to the extent that, on the Closing Date, the aggregate value of the Purchased Receivables shall be lower or higher, as the case may be, than the Offer Date Receivable Value. Nonetheless, if the total amount of the Purchased Receivables as of the Closing Date is over five million seven hundred thousand dollars (\$5,700,000), then the difference between the total amount of the Purchased Receivables as of the Closing Date and the limit herein established shall be deducted from the calculation of the current portion of the Purchased Receivables for the Vendor as of the Closing Date.

### (B) Re: Inventory:

The Purchase Price payable in relation with the Purchased Inventories shall be adjusted downward or upward, as the case may be, as per the formula established in Schedule 2.9(B) – Section 2, in the event and to the extent that, on the Closing Date, the aggregate value of the Purchased Inventories shall be lower or higher, as the case may be, than the Offer Date Inventory Value.

On or before the fifth (5) Business Day after the Closing Date, the Vendor shall deliver to the Purchaser a statement setting forth a detailed calculation of the Purchased Working Capital as of the Closing Date, with all the relevant supporting evidence, and prepared by the Vendor with the same parameters as used for the evaluation of the Purchase Price as for the Purchased Receivables and the Purchased Inventories as detailed in Schedules 2.9(A) and 2.9(B).

The value of the Purchased Inventories shall be based on a physical inventory count and valued on a basis consistent with the Vendor's costing methodologies used for the establishment of the Offer Date Inventory Value. The physical inventory count will be jointly supervised by the Vendor, the Purchaser and the Monitor.

The Purchaser may dispute the value of the Purchased Working Capital as presented by the Vendor by notice in writing (the "**Objection Notice**") given to the Vendor within ten (10) Business Days after the delivery of the Vendor's statement as to the amount of the Purchased Working Capital. Such Objection Notice shall specify, in detail, the basis for the dispute and the Vendor's adjustments to the value of the Purchased Working Capital shown by the Vendor in its statement.

If the Purchaser and the Vendor cannot agree on the value of the Purchased Working Capital within five (5) Business Days after the delivery of the Objection Notice, then either the Purchaser or the Vendor may make a motion to the CCAA Court to resolve this dispute.

Forthwith after agreement as to the amount of the Purchased Working Capital or forthwith upon the decision of the CCAA Court as to the amount of the Purchased Working Capital, then, as the case may be, the Vendor shall refund to the Purchaser such portion of the Purchase Price which is equal to the amount by which the respective Purchased Working Capital values are less than the respective Offer Date Receivable Value and Offer Date Inventory Value, or alternatively, the Purchaser shall pay to the Vendor, by way of certified cheque or wire transfer, such additional amount which is equal to the amount by which the respective Purchased Working Capital values are higher than the respective Offer Date Receivable Value and Offer Date Inventory Value.

The Monitor and the Vendor agree that they shall not make a motion to the CCAA Court for distribution of any funds received by either of them under this Agreement, or otherwise distribute any such funds, unless the Purchase Price adjustments contained in this Section have been completed and the covenant contained in Section 4.2(b) has been fulfilled. However, in the event that the Purchase Price adjustments have not been settled by the date that is ninety (90) days following the Closing Date, the Monitor shall be entitled to bring a distribution motion on appropriate notice to the Purchaser and the Vendor and each of the Purchaser, the Vendor and the Monitor shall be entitled to make submissions to the CCAA Court in this regard.

**2.11 Method of Payment**

The Purchase Price shall be satisfied as follows:

- (a) a deposit in the amount of three hundred and sixty thousand dollars (\$360,000) (the “**Deposit**”) by bank draft or certified cheque payable to the Monitor, in trust, to be held in trust by the Monitor until the Time of Closing and then credited towards the Purchase Price, or in accordance with any other provision herein;
- (b) the amount of two million eight hundred two thousand nine hundred and seventy five dollars (\$2,802,975) by certified cheque or wire transfer payable to the Monitor at the Time of Closing;
- (c) the amount of four hundred thousand dollars (\$400,000) (the “**Holdback**”) to be paid no later than a hundred and twenty (120) days following the Closing Date; and
- (d) by the assumption of the Assumed Obligations.

The Purchaser shall have the ability to offset any portion of the Holdback against any downward adjustment of the Purchase Price per Section 2.10 herein. The Purchaser shall also have the ability to offset any portion of the Holdback against any claim made against the Purchaser from any of the Vendor’s employees for any period up to the Closing Time. In such case, the Purchaser shall have the right to retain the Holdback as long as final judgments have not been rendered vis à vis such claim.

**2.12 Allocation of Purchase Price**

The Purchaser and the Vendor shall, acting reasonably, agree on the allocation of Purchase Price (other than for the Purchased Receivables and the Purchased Inventories) on or before the Closing Date, and they shall execute and file any Tax Returns required on the basis of such allocation.



### 2.13 Taxes

The Purchaser shall be liable for and shall pay any and all federal, provincial and other sales, goods and services, value added, and other transfer taxes which are properly payable by the Purchaser in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser, together with all duties, registration fees or other charges properly payable by the Purchaser upon or in connection with the conveyance or transfer of the Purchased Assets (collectively, the "Taxes").

### 2.14 Value Added Tax

- (a) The Purchaser shall be liable for and shall pay any Taxes which may be exigible under Part IX of the ETA;
- (b) The Vendor hereby declares that it is duly registered under Subdivision (d) of Division V of Part IX of the ETA;
- (c) The Vendor hereby declares that it is duly registered under the QSTA;
- (d) Without limiting the Purchaser's indemnity obligations under Section 2.13, the Vendor and the Purchaser will on the Closing Date jointly execute and deliver to each other an election, in the prescribed form and containing the prescribed information, pursuant to subsection 167(1) of the ETA and the corresponding provision of the QSTA so that no tax is payable under any such laws in respect of the sale and purchase of the Purchased Assets hereunder, and the Purchaser shall file any joint election in accordance with the ETA and QSTA.

### 2.15 Section 22 Election — Accounts Receivable

The Purchaser and the Vendor agree to elect jointly in the prescribed form under Section 22 of the *Income Tax Act* (Canada) as to the sale of the accounts receivable and other applicable Purchased Assets described in Section 22 of the *Income Tax Act* (Canada) and the corresponding provision of the statute that is the provincial equivalent thereof and to designate in such election an amount equal to the portion of the Purchase Price allocated to such assets pursuant to Section 2.12 as the consideration paid by the Purchaser therefor.

### 2.16 Risk of Loss

During the Interim Period, up to the Time of Closing, the Purchased Assets shall be and remain at the risk of the Vendor. If, prior to the Closing Date, all or substantially all of the Purchased Assets or any plant operated by the Vendor is destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by any governmental entity or other lawful authority, the Purchaser shall have the option, at its absolute discretion, exercisable by notice in writing given within fifteen (15) Business Days after the Purchaser receives notice in writing from the Vendor of such destruction, damage, appropriation, expropriation or seizure:

- (a) In the event of damage or destruction, to complete the Transaction subject to a reduction of the Purchase Price to be mutually agreed to by the parties;

- (b) In the event of appropriation or expropriation, to complete the Transaction without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for appropriation, expropriation or seizure shall be payable to the Purchaser and all right and claim of the Vendor to any such amounts not paid on the Closing Date shall be assigned to the Purchaser; or
- (c) In either event, to terminate this Agreement, receive a refund of the Deposit and not complete the Transaction, in which case all obligations of the Purchaser shall terminate forthwith upon the Purchaser giving notice as required herein.

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[Section 3 follows on next page]

### Section 3 – REPRESENTATIONS AND WARRANTIES

#### 3.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Canada;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated herein and have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*; and
- (f) the Purchaser is or will be prior to Closing Date registered under Part IX of the ETA and under the QSTA.

#### 3.2 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying thereon in completing this Agreement:

- (a) the Vendor is a corporation duly incorporated, organized and subsisting under the laws of Canada;
- (b) the Vendor has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated herein and have been duly authorized by all necessary corporate action on the part of the Vendor;
- (c) the Vendor is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter, by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;

- (d) this Agreement and all other documents contemplated hereunder to which the Vendor is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Vendor and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Vendor, as the case may be, enforceable in accordance with the terms hereof or thereof; and
- (e) the Vendor is a registrant for the purposes of Part IX of the ETA.

### **3.3 Survival of Representations and Warranties**

The representations and warranties of the Vendor shall survive the completion of the Transaction and shall continue in full force and effect for the benefit of the Purchaser (which term for the purposes of this Section 3.3 shall include the Purchaser's directors and officers) for a period of nine (9) months from the Closing Date.

The representations and warranties of the Purchaser shall survive the completion of the Transaction and shall continue in full force and effect for the benefit of the Vendor (which term for the purposes of this Section 3.3 shall include the Vendor's respective directors and officers) for a period of nine (9) months from the Closing Date.

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[Section 4 follows on next page]

## Section 4 – RESPECTIVE COVENANTS OF THE PARTIES

### 4.1 Covenants of the Purchaser

- (a) The Purchaser agrees that from and after the Time of Closing, it shall preserve the Books and Records actually received from the Vendor at the Time of Closing, and at the reasonable request of the Vendor, the Monitor or another party acting in a court-appointed capacity (such as a receiver, interim receiver, receiver and manager or bankruptcy trustee, or any of their respective authorized representative) (a "**Requestor**") from time to time, the Purchaser shall co-operate fully with the Requestor and make available to the Requestor in a reasonable timely fashion during normal business hours (i) such Books and Records, (ii) the premises of the Purchaser for the Requestor's review of the Books and Records, and (iii) at the Requestor's expense, the personnel of the Purchaser, in each case to the extent the Requestor reasonably consider necessary (A) to permit the Requestor to prepare and file necessary Tax Returns and any other statutory documents relating to the operation by the Vendor of its business up to the Time of Closing, (B) to properly fulfil the Vendor's obligations in bankruptcy, as the case may be, (C) for the preparation by any Requestor of any Tax Returns or in connection with any assessment, reassessment or other form of document assessing liability of the Vendor for taxes under applicable tax legislation in respect of any taxation year, (D) in connection with the restructuring proceedings, or (E) to ensure compliance by the Vendor with applicable law;
- (b) The Purchaser agrees that from and after the Time of Closing, it shall permit the Requestor to make copies, at the Requestor's expense, of the Books and Records actually received by the Purchaser from the Vendor at the Time of Closing and shall provide reasonable assistance to the Requestor, at the Requestor's expense, to prepare T4 forms and records of employment for the employees of the Vendor who accept offers of employment from the Purchaser. In the case of the Books and Records actually received from the Vendor at the Time of Closing, the Purchaser agrees to preserve same for a minimum of 6 years from the Closing Date;
- (c) Until the Time of Closing, and in the event of the termination of this Agreement without consummation of the Transaction, the Purchaser shall keep confidential any information obtained from the Vendor in accordance with the confidentiality agreement executed between S.P. Holdings or Nominee and the Vendor on November 25, 2011 (the "**Confidentiality Agreement**") and attached hereto as Schedule 4.1(c) as if the Purchaser was a party thereto, and the Purchaser hereby agrees in favour of the Vendor to be bound by the terms of such confidentiality agreement as if it were an original signatory thereto. If this Agreement is terminated without consummation of the Transaction contemplated, promptly after termination, all documents, work papers and other written material obtained in connection with this Agreement and not made public (including all copies), shall be returned to the Vendor.

### 4.2 Covenants of the Vendor

- (a) The Vendor shall allow the Purchaser to have observers to the Vendor's management team, on a daily basis, and the Vendor's management team shall answer observers' questions about the operation of the Business, the management of the Business and the decisions to be taken by the Vendor's management team during the Interim Period;

- (b) The Vendor shall provide the Purchaser, within fifteen (15) Business Days following the Closing Date, confirmation that all wages, workers compensation contribution, accrued vacations, severance of any nature, any amount owed under the *Pay Equity Act* (R.S.Q., chapter E-12.001) and any regulation adopted under such Act, and other remuneration and benefits as may be payable, or related, to the employees of the Vendor, immediately before the Closing Date, have been paid up to and including the Closing Date;
- (c) The Vendor shall use its best efforts to obtain such releases as may be required by the Purchaser, acting reasonably, regarding the termination of management employees, a list of which shall be provided by the Purchaser no later than ten (10) Business Days prior to the Closing Date; and
- (d) The Vendor agrees that during the Interim Period, it shall continue to conduct its Business in the ordinary course and, without limiting the generality of the foregoing, continue to serve its customers on a daily and normal basis without interruption, purchase inventory to satisfy the needs of the Business and deliver the finished goods on the timely manner as done in the past year.

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[Section 5 follows on next page]

## Section 5 – CONDITIONS

### 5.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed by the Vendor or prior to the Time of Closing:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) no Material Adverse Change shall have occurred;
- (c) *Withdrawn*;
- (d) the Vendor shall not be bankrupt as at the Time of Closing;
- (e) the obtaining of the Approval and Vesting Order to the entire satisfaction of the Purchaser;
- (f) the Vendor shall have performed its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (g) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction;
- (h) *Withdrawn*;
- (i) the Vendor shall not have transferred any inventory or equipment to any of its Subsidiaries, shall not have assigned any of its Contracts to its Subsidiaries or have sold to its Subsidiaries any of the Purchased Assets without having obtained from the Purchaser a prior written approval of said transaction which the Purchaser may refuse at its complete discretion;
- (j) *Withdrawn*;
- (k) the Vendor shall have respected all the terms and conditions of the Leases for the Leased Premises during the Interim Period;
- (l) the Vendor shall have filed, before the Closing Date, articles of amendment to change its corporate name "Domfoam International Inc." to a numbered corporation and shall provide to the Purchaser, at the Time of Closing, (a) with a copy of the certificate of amendment evidencing said change and (b) a written authorization for the Purchaser to use said corporate name and any derivative of it;
- (m) there shall be no reduction of the revenues of the Vendor for the twelve (12) month period ending as of February 28, 2012 compared to the same period last year, for more than six percent (6%);
- (n) *Withdrawn*;
- (o) the Vendor shall have acquired from its Subsidiary Valle Foam Industries (1995) Inc., prior to the Closing Date, all the assets listed in Schedule 5.1(o); and

- (p) the obtaining on or before the date which is fifteen (15) Business Days from acceptance of this Agreement by the Vendor of a commitment letter from the actual general manager of the Vendor (John C. Howard) on the terms and conditions of a three (3) year employment agreement with the Purchaser.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any such condition (except 5.1(e)) may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

**5.2 Conditions – Vendor**

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Vendor. Any such condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

**5.3 Mutual Conditions**

The obligations of the Vendor on the one hand, and the Purchaser on the other hand are subject to the conditions that:

- (a) the Approval and Vesting Order shall have been made by the CCAA Court on or before the 28<sup>th</sup> day of March, 2012 (or such later date as the parties may agree to, acting reasonably); and
- (b) the Approval and Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued which restrains or prohibits the completion of the Transaction.

The parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

**5.4 Actions to Satisfy Closing conditions**

Each of the parties agrees to diligently take all actions as are within its power to control, and to use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in sections 5.1, 5.2 and 5.3 and, generally, the conditions set forth in this Agreement.



**5.5 Non-Satisfaction of Conditions**

If any condition set out in this Section 5 is not satisfied or performed on or prior the Closing Date, or at any date provided for herein, then the Vendor or the Purchaser, depending whose benefit the condition is inserted, may:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) choose to give the other party an additional delay for said condition to be satisfied or performed; or
- (c) elect on written notice to the other party to terminate this Agreement before Closing.

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[Section 6 follows on next page]

## Section 6 – CLOSING

### 6.1 Closing

The completion of the Transaction shall take place at the offices of Lamarre Perron Lambert Vincent, g.p., 480 Saint-Laurent Blvd., suite 200, Montreal, Quebec, H2Y 3Y7, on the Closing Date at the Time of Closing or as otherwise determined by mutual agreement of the parties in writing.

### 6.2 Purchaser's Deliveries on Closing

At or before the Time of Closing, the Purchaser shall execute and deliver to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the portion of the Purchase Price payable at the Time of Closing;
- (b) payment or evidence of payment of applicable federal and provincial Taxes or alternatively, appropriate exemption certificates, as required by this Agreement;
- (c) general conveyance and assumption of liabilities agreement pursuant to Subsection 2.6 duly executed by the Purchaser, in form and substance mutually satisfactory to the Vendor and the Purchaser;
- (d) the Allocation of Purchase Price pursuant to Section 2.12;
- (e) an assignment or assignments of Intellectual Property agreements, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Purchaser;
- (f) an assignment or assignments of Customer Contracts and Contracts, in form and substance mutually satisfactory to the Purchaser and the Vendor, duly executed by the Purchaser;
- (g) an assignment of leases for the Leased Premises, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Purchaser;
- (h) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (i) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 5.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (j) such further and other documentation as is referred in this Agreement or as the Vendor may reasonably require to give effect to this Agreement including pursuant to Sections 2.2, 2.6 and 2.8.

### 6.3 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a bill of sale pursuant to which the Vendor shall assign, sell, transfer and convey all of its right, title and interest in and to its Purchased Assets, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (b) an assignment or assignments of Intellectual Property agreements, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (c) an assignment of leases for the Leased Premises, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (d) an assignment or assignments of Customer Contracts and Contracts, in form and substance mutually satisfactory to the Purchaser and the Vendor, duly executed by the Vendor;
- (e) the Approval and Vesting Order in form and substance satisfactory to the Purchaser, acting reasonably;
- (f) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Vendor contained in this agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (g) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 5.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (h) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement which shall be prepared by the Purchaser at its sole expense and in form and substance satisfactory to the Vendor, acting reasonably.

### 6.4 Possession of Assets

The Vendor shall remain in possession of the Purchased Assets until the Time of Closing. On Closing, the Purchaser shall take possession of the Purchased Assets which shall be located in the Leased Premises. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 6.2.

### 6.5 Access to Assets

The Purchaser shall have reasonable access to the Purchased Assets located at the Leased Premises or at any other leased premises presently occupied by the Vendor or any of its Subsidiaries during normal business hours prior to the Time of Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets as it deems appropriate. Such inspection shall only be conducted in the presence of a representative of the Vendor, if so required at the discretion of the Vendor.

**6.6 Termination**

If either the Vendor on the one hand, or the Purchaser on the other hand, validly terminates this Agreement pursuant to the provisions of Sections 5.5, or 2.16,

- (a) all the obligations of the Vendor and Purchaser pursuant to this Agreement shall terminate;
- (b) the Purchaser shall be entitled to have the Deposit and all the monies paid hereunder returned immediately with any interest earned thereon, as the case may be, but without deduction provided; and
- (c) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

**6.7 [Break Fee] *Withdrawn***

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[Section 7 follows on next page]

Section 7 – GENERAL

**7.1 Further Assurances**

Each of the parties shall, from time to time after the Closing Date, at the request and expense of the other, promptly take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

**7.2 Obligations to Survive**

Notwithstanding the completion of the transactions contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations, covenants, representations and warranties of the parties hereto shall survive such completion and shall remain in full force and effect and shall not merge as a result thereof.

**7.3 Costs and Expenses**

Each party hereto shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants and other advisors) incurred by it in connection with this Agreement and the transactions contemplated herein.

**7.4 Notice**

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax or electronic mail ("**Email**"), addressed to:

in the case of the Purchaser, as follows:

**4037057 CANADA INC.**  
8600 Decarie Blvd. Suite 200  
Mont-Royal, QC  
H4P 2N2

Attention: Terry Pomerantz  
Telephone No.: (514) 341-8600  
Fax No.: (514) 340-1389  
Email: [tpomerantz@trasmgmt.com](mailto:tpomerantz@trasmgmt.com)

With a copy to:

Lamarre Perron Lambert Vincent g.p.  
480 Saint-Laurent Blvd. Suite 200  
Montreal, QC  
H2Y 3Y7

Attention: Jacques Vincent  
Telephone No.: (514) 798-0990  
Fax No.: (514) 798-5599  
Email: [j.vincent@lplv.com](mailto:j.vincent@lplv.com)

and in the case of the Vendor, as follows:

**DOMFOAM INTERNATIONAL INC.**  
8785, boul. Langelier  
Montréal, QC  
H1P 2C9

Attention: Tony Vallecoccia  
Telephone No.: (514) 325-8120  
Fax No.: (514) 325-6477  
Email: [tvallecoccia@vallefoam.com](mailto:tvallecoccia@vallefoam.com)

with a copy to:

Minden Gross LLP  
145 King Street West  
Suite 2100  
Toronto, ON  
M5H 4G2

Attention: Raymond M. Slattery  
Telephone No.: (416) 369-4149  
Fax No.: (416) 864-9223  
Email: [rslattery@mindengross.com](mailto:rslattery@mindengross.com)

and to:

the Monitor

**DELOITTE & TOUCHE INC.**  
181 Bay Street  
Suite 1400  
Toronto, ON  
M5J 2V1

Attention: Robert J. Bougie  
Telephone No.: (416) -  
Fax No.: (416) 601-6690  
Email: @

with a copy to:

Thornton Grout Finnigan LLP  
100 Wellington Street West  
Suite 3200  
Toronto, ON, M5K 1K7

Attention: Grant B. Moffat  
Telephone No.: (416) 304-0599  
Fax No.: (416) 304-1313  
Email: @

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or Email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax or Email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

#### **7.5 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

#### **7.6 Currency**

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

#### **7.7 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

#### **7.8 Third Party Beneficiaries**

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

#### **7.9 Entire Agreement**

This Agreement and the attached Schedules constitute the entire agreement between the parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the parties.

#### **7.10 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

#### **7.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein and each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Quebec.

#### 7.12 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

#### 7.13 Commission – No Broker

The Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction. It is understood and agreed that no broker, agent or other intermediary has acted for the Vendor in connection with the sale of the Purchased Assets and the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Vendor.

#### 7.14 Assignment

Except as hereinafter provided, no party may assign this Agreement without the prior written consent of the other parties, which consent may not be unreasonably withheld or delayed. This Agreement enures to the benefit of and binds the parties and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns. Notwithstanding the foregoing, this Agreement shall be assignable by the Purchaser if the assignee is a “related entity” to the Purchaser within the meaning of that expression under the *Income Tax Act* (Canada). In the event of such assignment, the Purchaser shall remain liable to the Vendor in respect of its obligations hereunder.

#### 7.15 Counterparts

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. A party's transmission by facsimile or by Email of a copy of this Agreement duly executed by that party shall constitute effective delivery by that party of an executed copy of this Agreement to the party receiving the transmission. A party that has delivered this Agreement by facsimile or by Email shall forthwith deliver an originally executed copy to the other party or parties.

#### 7.16 Language

The parties acknowledge that they have requested and are satisfied that the foregoing be drawn up in English. Les parties reconnaissent qu'elles ont exigé que ce qui précède soit rédigé en anglais et s'en déclarent satisfaites.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]



The Vendor shall indicate its acknowledgement of and its agreement with the foregoing by signing both copies of this Agreement in the space provided below and returning one fully executed copy to the Purchaser (which return may be made by fax or Email) to:

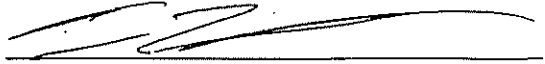
LPLV  
c/o: Mtre. Jacques Vincent  
Fax: (514) 798-5599  
Email: j.vincent@lplv.com

by no later than 12:00 pm, on March 6, 2012, after which time this Agreement shall be considered null and void as to the Purchaser.

The Purchaser covenants and agrees that this Agreement shall remain open for acceptance by the Vendor and be binding and irrevocable for the Purchaser until noon on March 6, 2012.

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement on February 22, 2012 at 10:30 a.m.

4037057 CANADA INC.

By:   
Name: Terry Pomerantz  
Title: President  
I have authority to bind the Purchaser.

IN WITNESS WHEREOF the Vendor has duly executed this Agreement on \_\_\_\_\_, 2012 at \_\_\_\_\_.

DOMFOAM INTERNATIONAL INC.

By: \_\_\_\_\_  
Name:  
Title:  
I have authority to bind the Vendor.

Contracts

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1. Subject to Section 2.3, the following Contracts shall form part of the Purchased Assets:
  - 1.1. All lease agreements in relation with the Leased Premises;
  - 1.2. Collective bargaining agreement with the Unionized Employees for the period of 2009-2014 (Teamsters Québec, Local 1999);
  - 1.3. All Equipment Operating Leases, to the extent that the Purchaser wishes to avail itself thereof and are not part of the Excluded Assets;
  - 1.4. Exclusive agreement for the Canadian use of specific chemical and formula for Gel Visco;
  - 1.5. All contractual arrangements with the suppliers to the extent that the Purchaser wishes to avail itself thereof;
  - 1.6. The annual Microsoft maintenance contract with PYA Solutions Inc.;
  - 1.7. Microsoft (Navision Licence agreement);
  - 1.8. Insurance policy re: Property and Liability;
  - 1.9. Insurance policy re: 2002 Ford;
  - 1.10. Coface (receivables);
  - 1.11. Insurance policy re: Directors and Officers liability;
  - 1.12. CN non freight – leases for tracks; and
  - 1.13. Canadiens hockey tickets.

**Schedule 1.1(n)**  
**Customer Contracts**

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1. Subject to Section 2.3, the following Customer Contracts shall form part of the Purchased Assets:
  - 1.1. Customer bearing number #U11771 in the Books and Records;
  - 1.2. Customer bearing number #11682 in the Books and Records;
  - 1.3. Customer bearing number #10005 in the Books and Records;
  - 1.4. Customer bearing number #10072 in the Books and Records;
  - 1.5. Customer bearing number #U12129 in the Books and Records;
  - 1.6. Customer bearing number #10020 in the Books and Records;
  - 1.7. Customer bearing number #10244 in the Books and Records;
  - 1.8. Customer bearing number #11665 in the Books and Records;
  - 1.9. Customer bearing number #11924 in the Books and Records;
  - 1.10. Customer bearing number #11164 in the Books and Records;
  - 1.11. Customer bearing number #10413 in the Books and Records;
  - 1.12. Customer bearing number #10585 in the Books and Records;
  - 1.13. Customer bearing number #U12164 in the Books and Records;
  - 1.14. Customer bearing number #11209 in the Books and Records;
  - 1.15. Customer bearing number #11982 in the Books and Records;
  - 1.16. Customer bearing number #U11429 in the Books and Records;
  - 1.17. Customer bearing number #11177 in the Books and Records;
  - 1.18. Customer bearing number #11268 in the Books and Records;
  - 1.19. Customer bearing number #11848 in the Books and Records;
  - 1.20. Customer bearing number #00202 in the Books and Records;

Schedule 1.1(r.1)

Equipment Operating Leases

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*See document attached  
Total of one (1) page*

**DOMFOAM INTERNATIONAL INC.**  
**LEASE COMMITMENTS WORKSHEET**  
 Dec 15 2011 (for fiscal year ended Apr 30th)

Lease No.	Description of Property	Lease Expiry MM/YYYY	2011 Current Yr. Expenses	Minimum Future Lease Commitments					2017 Balance
				2012 1st Year	2013 2nd Year	2014 3rd Year	2015 4th Year	2016 5th Year	
Ryder	332467 1FUJA6CK97LY49529	05/2013	21 204	21 204	1 767	-	-	-	-
Ryder	332468 1FUJA6CK57LY49530	05/2013	21 204	21 204	1 767	-	-	-	-
Ryder	332469 1FUJA6CK77LY49531	05/2013	21 204	21 204	1 767	-	-	-	-
Ryder	329316 1FUJA6CK37LY49528	11/2013	20 984	20 984	12 229	-	-	-	-
Ryder	329317 1FUJA6CK57LY49527	11/2013	20 148	20 148	11 753	-	-	-	-
Ryder	329318 1FUJA6CK77LY49528	11/2013	20 148	20 148	11 753	-	-	-	-
Ryder	336256 1HTSCAAMXH227668	11/2013	20 148	20 148	11 753	-	-	-	-
Ryder	336257 1FUJA6CK97LY61325	11/2013	20 148	20 148	11 753	-	-	-	-
Ryder	336258 1FUJA6CK77LY61324	11/2013	20 148	20 148	11 753	-	-	-	-
Ryder	325581 1FUJA6CK87LY49523	05/2012	26 952	26 952	-	-	-	-	-
Ryder	325582 1FUJA6CKX7LY49524	05/2012	26 952	26 952	-	-	-	-	-
Ryder	324854 1FUJA6CK47LY49521	05/2013	24 780	24 780	2 065	-	-	-	-
Ryder	324855 1FUJA6CK67LY49522	05/2013	24 780	24 780	2 065	-	-	-	-
Hewitt	13423 Rental # A4EC380620	09/2014	14 220	14 220	14 220	5 925	-	-	-
Hewitt	13424 Rental # A3EC380443	09/2014	14 220	14 220	14 220	5 925	-	-	-
Hewitt	13422 Rental # A3EC380225	09/2014	14 220	14 220	14 220	5 925	-	-	-
Tru Source	344371-212772 Rental # A4EC380738	09/2016	12 900	12 900	1 176	1 176	1 176	1 176	490
Toshiba	2550814 Water dispenser Plant	08/2016	-	-	1 512	1 512	1 512	1 512	504
Toshiba	344371-205533 Main Photocopier	11/2016	-	-	9 086	9 912	9 912	9 912	5 782
Toshiba	344371-205455 Plant & Sales Photocopier	11/2016	-	-	8 382	9 144	9 144	9 144	5 354
	<b>TOTALS</b>		<b>344 340</b>	<b>351 586</b>	<b>144 829</b>	<b>39 519</b>	<b>21 744</b>	<b>12 110</b>	

PREPARED BY: LS DATE: 2011-07-11

REVIEWED BY: DATE:

**Schedule 1.1(hh)****Purchased Assets**

- 
1. All assets, undertakings and properties of the Vendor of every nature and kind whatsoever, and wherever situated; including without limitation the following:
    - 1.1. The Purchased Receivables;
    - 1.2. The Purchased Inventories;
    - 1.3. All goods other than goods listed in section 1.2 hereinabove that are held for sale, lease or rental (whether such goods are saleable, obsolete or damaged) in relation to the Business carried on by the Vendor including, materials and supplies;
    - 1.4. The Contracts;
    - 1.5. The Customer Contracts;
    - 1.6. The Equipment;
    - 1.7. The Vendor's Intellectual Property;
    - 1.8. All customer lists and lists of prospective customers and marketing and sales materials and databases not already included in the Vendor's Intellectual Property;
    - 1.9. All corporate names used by the Vendor;
    - 1.10. All rights, title and interest in orders on hand and other contractual arrangements with the customers to the extent that they can be assigned and that the Purchaser wishes to avail itself thereof;
    - 1.11. All the benefit of all unfulfilled orders received by and in favour of the Vendor;
    - 1.12. All other tangible and intangible assets and property used in connection with the Business;
    - 1.13. The exclusive right of the Purchaser to represent itself as carrying on such business in continuation of and in succession to the Vendor;
    - 1.14. All Books and Records;
    - 1.15. All plans, sketches and other documents related to (i) the operations of the Business and (ii) the customers of the Vendor;
    - 1.16. all other property, assets and rights, real or personal, tangible or intangible, owned by the Vendor or to which they are entitled to but excluding the Excluded Assets;

- 1.17. All R & D receivables, income tax receivables, tax refunds, deposit and deposit letters;
- 1.18. All the prepaid amounts related to:
  - 1.18.1. Insurance - Property and Liability
  - 1.18.2. Insurance – 2002 Ford
  - 1.18.3. Coface (receivables)
  - 1.18.4. Directors and Officers liability
  - 1.18.5. All the taxes (municipal, business and school) for all the Leased Premises
  - 1.18.6. CN non freight – tracts
  - 1.18.7. Canadiens hockey tickets
  - 1.18.8. Microsoft (Navision Licence)
- 1.19. The season tickets from Club de Hockey Canadien for the seats 104-J, #13 and #14 together with all the rights attached to said season tickets and any renewal thereof;
- 1.20. All the Equipment Operating Leases that the Purchaser wishes to avail itself thereof and not specifically an Excluded Assets as per Schedule 2.2 attached to this Agreement; and
- 1.21. The assets described in Schedule 5.1(o) of this Agreement.

Schedule 1.1(uu)

Vendor's Intellectual Property

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Canadian Trademarks

*See document attached  
Total of three (3) pages*

US Trademarks

*See document attached  
Total of one (1) page*



CANADIAN REGISTERED TRADEMARKS: DOMFOAM

Trademark	Registration or application number	date of application ("A") or registration ("R")	Name of the current owner or applicant	Expiry date	Name of the agent	Status
1 SPRINGFLEX FOAM	1531270	A: 2011-06-10	Domfoam International Inc.	2020-06-07	N/A	formalized on 2011-06-15 registered
2 CONTOUR-MATIC	LMC641558	R: 2005-06-07	Domfoam International Inc.	2019-11-08	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 2004-11-08 registered
3 VILLA	LMC203073	R: 1974-11-08	Domfoam International Inc.	2017-11-20	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1997-08-27 registered
4 CUDDLE FOAM	LMCS70966	R: 2002-11-20	Domfoam International Inc.	2012-08-27	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1997-08-27 registered
5 VELVAFOAM	LMC272231	R: 1982-08-27	Domfoam International Inc.	2019-10-28	Stikeman Elliott LLP	renewed on 1999-02-24
6 ComfyCel	LMC623917	R: 2004-10-28	Domfoam International Inc.	2014-02-24	N/A	renewed on 1997-07-16
7 SPECTRUM	LMC288288	R: 1984-02-24	Domfoam International Inc.	2012-07-16	Stikeman Elliott LLP	renewed on 1999-06-22
8 INSULGARD	LMC271131	R: 1982-07-16	Domfoam International Inc.	2014-06-22	Stikeman Elliott LLP	renewed on 2005-03-14
9 CELCOR	LMC292308	R: 1984-06-22	Domfoam International Inc.	2020-03-34	Stikeman Elliott LLP	renewed on 2011-06-30
10 PRO-BOND	LMC205857	R: 1975-03-14	Domfoam International Inc.	2026-06-30	Stikeman Elliott LLP	renewed on 2005-03-14
11 DOMFOAM	LMC145969	R: 1966-06-30	Domfoam International Inc.	2020-03-14	Stikeman Elliott LLP	renewed on 2004-11-01
12 LODGE	LMC205858	R: 1975-03-14	Domfoam International Inc.	2019-11-01	Stikeman Elliott LLP	renewed on 2004-11-01
13 CHATEAU	LMC202908	R: 1974-11-01	Domfoam International Inc.	2019-11-08	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1999-03-16
14 RoyalCel	LMC624903	R: 2004-11-08	Domfoam International Inc.	2014-03-16	Stikeman Elliott LLP	renewed on 2004-11-01
15 EXCALIBUR	LMC289023	R: 1984-03-16	Domfoam International Inc.	2019-10-01	Stikeman Elliott LLP	renewed on 2001-12-24
16 RIVIERA	LMC202909	R: 1974-11-01	Domfoam International Inc.	2020-07-19	Jim Sproule, A-Z Sponge & Foam Products Ltd.	renewed on 1997-12-31
17 PERMA-BOND	LMC180311	R: 1971-12-24	Domfoam International Inc.	2012-12-31	Jim Sproule, A-Z Sponge & Foam Products Ltd.	registered
18 Snuggle-Pedic	LMC644665	R: 2005-07-19	Domfoam International Inc.	2023-12-01	Jim Sproule, A-Z Sponge & Foam Products Ltd.	registered
19 VELTEX	LMC275264	R: 1982-12-31	Domfoam International Inc.	2023-12-01	Jim Sproule, A-Z Sponge & Foam Products Ltd.	registered
20 FREEDOM FOAM	LMC729834	R: 2008-12-01	Domfoam International Inc.	2023-12-01	Jim Sproule, A-Z Sponge & Foam Products Ltd.	registered
21 BIOPUSH	LMC729835	R: 2008-12-01	Domfoam International Inc.	2021-06-06	Jim Sproule, A-Z Sponge & Foam Products Ltd.	registered
22 Hug-A-Pedic	LMC665748	R: 2006-06-06	Domfoam International Inc.	2020-04-25	Stikeman Elliott LLP	renewed on 1999-08-17
23 NORTHERN TREASURE	LMC638221	R: 2005-04-25	Domfoam International Inc.	2016-12-24	Stikeman Elliott LLP	renewed on 2000-01-11
24 LA COLLECTION ZODIAC	LMC294245	R: 1984-08-17	Domfoam International Inc.	2015-01-11	Stikeman Elliott LLP	renewed on 1999-06-22
25 W'UNDER-BOND	LMC180310	R: 1971-12-24	Domfoam International Inc.	2027-02-26	Stikeman Elliott LLP	renewed on 2012-02-26
26 BONDEX	LMC298957	R: 1985-01-11	Domfoam International Inc.	2022-05-31	Jim Sproule, A-Z Sponge & Foam Products Ltd.	registered
27 QUANTUM	LMC292311	R: 1984-06-22	Domfoam International Inc.	2020-07-14	Jim Sproule, A-Z Sponge & Foam Products Ltd.	registered
28 MAGNUM	LMC266867	R: 1982-02-26	Domfoam International Inc.	2014-05-11	Stikeman Elliott LLP	renewed on 1999-05-11
29 VISCOMAGIC Memory Fo	LMC688655	R: 2007-05-31	Domfoam International Inc.			
30 Cuddle-Pedic	LMC644418	R: 2005-07-14	Domfoam International Inc.			
31 ZODIAC COLLECTION	LMC290846	R: 1984-05-11	Domfoam International Inc.			

CANADIAN CANCELLED OR ABANDONED TRADEMARKS: DOMFOAM

	Trademark	Registration or application number	date of A or R	Name of the current owner or applicant	date of cancellation or abandonment	Name of the agent
1	DOMFOAM MAPLE LEAF & DESIGN	LMC375564	R: 1990-11-09	Domfoam International Inc.	2006-07-06	Stikeman Elliott LLP
2	VISCORLUSH	1460194	A: 2009-11-19	Domfoam International Inc.	2010-12-17	Jim Sproule, A-Z Sponge & Foam Products Ltd.
3	SECURIFOAM & DESIGN	832300	A: 1996-12-20	Domfoam International Inc.	2001-01-10	Stikeman Elliott LLP
4	NIMBUS	495427	A: 1982-11-26	Domfoam Inc.	1983-01-28	Seal, Shaposnick
5	PROTECT-A-RUG	LMC177017	R: 1971-07-23	Domfoam Inc.	1986-09-10	Seal, Shaposnick
6	STRATUS	495428	A: 1982-11-26	Domfoam Inc.	1983-12-19	Seal, Shaposnick
7	FLAREX	LMC205782	R: 1975-09-07	Domfoam Inc.	1990-04-27	Seal, Shaposnick
8	CFC & DESIGN	LMC209684	R: 1974-12-06	Domfoam International Inc.	2005-07-21	Stikeman Elliott LLP
9	HABITAT	500121	A: 1983-03-11	Domfoam Inc.	1986-08-22	Seal, Shaposnick
10	UROCELL HR	LMC203776	R: 1974-12-06	Domfoam International Inc.	2005-07-21	Stikeman Elliott LLP
11	Domfoam & design	LMC375563	R: 1990-11-09	Domfoam International Inc.	2006-07-06	Stikeman Elliott LLP
12	SUNRISE	LMC264104	R: 1981-11-06	Domfoam International Inc.	1997-07-08	Stikeman Elliott LLP
13	ALTO-CUMULUS	495426	A: 1982-11-26	Domfoam Inc.	1983-12-19	Seal, Shaposnick
14	CUMULUS	495425	A: 1982-11-26	Domfoam Inc.	1983-12-19	Seal, Shaposnick
15	EVER-BOND	LMC184974	R: 1972-08-18	Domfoam Inc.	1987-10-02	Seal, Shaposnick
16	VISCOAIRE	1204969	A: 2004-03-22	Domfoam International Inc.	2005-02-14	N/A
17	FlexCel	1198594	A: 2003-12-02	Domfoam International Inc.	2005-03-08	Jim Sproule, A-Z Sponge & Foam Products Ltd.
18	PINK PANTHER	LMC236776	R: 1979-10-19	Domfoam Inc.	1990-03-16	Seal, Shaposnick
19	CIRRUS	495429	A: 1982-11-26	Domfoam Inc.	1984-01-06	Seal, Shaposnick

CANADIAN SEARCH OF TRADEMARKS: DOMFOAM

Trademark	Application number	date	Name of the applicant	Status
GELFLEX	1518007	2011-03-07	Domfoam International Inc.	Notice of approbation sent on 2011-10-31

US REGISTERED TRADEMARK : DOMFOAM

Trademark	Serial number	Registration date	Name of the current owner or applicant	Expiry date	Name of the agent	Status
1 NORTHERN TREASURE	78508999	2005-12-13	Domfoam International Inc.	2015-12-13	Lawrence H. Meier	registered

US CANCELLED TRADEMARK : DOMFOAM

Trademark	Serial number	date of application	Name of the current owner or applicant	date of cancellation or abandonment	Name of the agent
1 CUDDLE FOAM	78219889	2003-02-27	Domfoam International Inc.	2004-02-11	N/A
2 SECURIFOAM & DESIGN	75311611	1997-06-19	Domfoam International Inc.	2000-10-12	Jess M Collen

## Schedule 2.2

## Excluded Assets

- 
1. The Purchaser acknowledges and agrees that the following assets shall be considered excluded of the Transaction:
    - 1.1. The accounts payable, except as otherwise provided in this Agreement;
    - 1.2. The tax losses, except as otherwise provided in this Agreement;
    - 1.3. The cash on hand or on deposit with banks or other depositaries;
    - 1.4. The debts due to the Vendor from any shareholder, director, officer or employee of the Vendor or any other person who does not deal at arm's length with the Vendor;
    - 1.5. The following Equipment Operating Leases:
      - 1.5.1. Ryder – Lease No. 332467 - 1FUJA6CK97LY49529
      - 1.5.2. Ryder – Lease No. 332468 - 1FUJA6CK57LY49530
      - 1.5.3. Ryder – Lease No. 332469 - 1FUJA6CK77LY49531
      - 1.5.4. Ryder – Lease No. 329316 - 1FUJA6CK37LY49526
      - 1.5.5. Ryder – Lease No. 329317 - 1FUJA6CK57LY49527
      - 1.5.6. Ryder – Lease No. 329318 - 1FUJA6CK77LY49528
      - 1.5.7. Ryder – Lease No. 336256 - 1HTSCAAMXXH227668
      - 1.5.8. Ryder – Lease No. 336257 - 1FUJA6CK97LY61325
      - 1.5.9. Ryder – Lease No. 336256 - 1FUJA6CK77LY61324
      - 1.5.10. Ryder – Lease No. 325581 - 1FUJA6CK87LY49523
      - 1.5.11. Ryder – Lease No. 325582 - 1FUJA6CKX7LY49524
      - 1.5.12. Ryder – Lease No. 324854 - 1FUJA6CK47LY49521
      - 1.5.13. Ryder – Lease No. 324855 - 1FUJA6CK67LY49522
      - 1.5.14. Toshiba - Lease No. 344371-205533 – Main photocopieur
      - 1.5.15. Toshiba - Lease No. 344371-205455 - Plant & Sales Photocopier
    - 1.6. The shares issued and outstanding of the capital of "VALLE FOAM INDUSTRIES (1995) INC." registered in the name of the Purchaser; and
    - 1.7. The shares issued and outstanding of the capital of "A-Z SPONGE & FOAM PRODUCTS LTD." registered in the name of the Purchaser.

**Schedule 2.6****Assumed Obligations**

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1. The obligation of the Vendor under the Contracts as of the Time of Closing; and
2. The obligation of the Vendor under the Customer Contracts as of the Time of Closing;

Schedule 2.9(A)  
Purchased Receivables

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Section 1

List of Purchased Receivables as of January 31, 2012.

*See document attached  
Total of four (4) pages*

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Section 2

Calculation of the Purchase Price attributed to the Purchased Receivables

*See document attached  
Total of fourteen (14) pages*

DOMFOAM INTERNATIONAL LIMITED  
Aged Accounts Receivable as of 01-31-2012

Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
00157	704.58	704.58	-	-	-
00202	25,631.17	25,431.85	199.32	-	-
00291	5,362.49	1,032.48	3,320.06	1,009.95	-
00308	4,316.16	4,316.16	-	-	-
00316	1,952.01	1,736.65	215.36	-	-
10005	511,571.37	303,779.87	180,349.98	27,441.52	-
10020	128,444.89	128,444.89	-	-	-
10024	2,028.58	-	2,028.58	-	-
10052	7,668.75	6,949.67	719.08	-	-
10072	528,925.52	258,533.73	155,454.72	114,937.07	-
10080	41,326.70	41,326.70	-	-	-
10120	1,158.95	1,158.95	-	-	-
10136	17,679.48	17,679.48	-	-	-
10145	5,746.68	3,072.41	2,674.27	-	-
10222	1,004.61	1,004.61	-	-	-
10244	101,343.87	101,343.87	-	-	-
10273	16,318.86	13,356.08	2,962.78	-	-
10305	6,438.19	3,402.81	2,141.95	893.43	-
10331	2,254.11	2,254.11	-	-	-
10351	3,754.38	-	3,754.38	-	-
10358	29,970.58	11,533.52	10,024.90	8,412.16	-
10371	32,216.28	19,133.32	1,056.44	11,342.99	683.53
10378	7,105.73	1,598.57	1,859.97	-	3,647.19
10379	3,680.61	3,680.61	-	-	-
10384	45,107.85	27,771.01	16,306.37	1,030.47	-
10385	10,927.29	10,927.29	-	-	-
10387	7,615.54	-	1,173.56	410.29	6,031.69
10413	153,635.36	42,935.08	19,370.39	55,168.67	36,161.22
10426	3,529.98	3,529.98	-	-	-
10465	833.89	833.89	-	-	-
10494	32,749.54	32,749.54	-	-	-
10502	11,893.25	3,266.84	1,087.18	3,549.67	3,989.56
10509	1,729.11	1,729.11	-	-	-
10510	18,715.15	18,715.15	-	-	-
10521	2,826.31	2,826.31	-	-	-
10545	28,034.38	28,034.38	-	-	-
10547	15,568.17	5,498.67	10,069.50	-	-
10551	74,572.24	74,572.24	-	-	-
10570	6,278.42	6,278.42	-	-	-
10585	221,166.00	55,233.52	32,888.35	65,818.84	67,225.29
10595	344.24	344.24	-	-	-
10737	1,249.53	1,249.53	-	-	-



Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
10785	6,075.15	6,075.15	-	-	-
10848	3,937.95	-	1,580.27	2,357.68	-
10864	284.40	284.40	-	-	-
11049	9,484.48	6,739.35	2,745.13	-	-
11150	3,850.31	-	3,850.31	-	-
11155	2,615.92	2,615.92	-	-	-
11164	48,779.05	51,488.31	(2,709.26)	-	-
11177	89,437.38	30,746.66	25,400.93	24,863.69	8,426.10
11197	626.81	626.81	-	-	-
11209	29,097.79	29,097.79	-	-	-
11210	1,778.75	1,115.72	663.03	-	-
11268	36,681.28	36,681.28	-	-	-
11272	672.18	1,034.89	(362.71)	-	-
11276	15,524.84	-	15,524.84	-	-
11289	16,671.06	5,017.77	5,249.62	4,461.72	1,941.95
11399	80,315.23	6,706.11	9,359.14	7,755.01	56,494.97
11415	11,174.61	9,312.23	1,862.38	-	-
11421	15,293.31	905.43	8,702.70	5,685.18	-
11457	26,525.81	26,525.81	-	-	-
11558	3,646.51	3,121.23	525.28	-	-
11577	5,027.53	4,979.82	-	-	47.71
11580	442.19	442.19	-	-	-
11627	1.80	1.80	-	-	-
11665	387,973.57	138,756.63	112,323.23	117,018.61	19,875.10
11676	42,927.94	19,314.91	17,404.97	6,208.06	-
11682	254,229.37	253,895.10	-	334.27	-
11684	5,358.46	5,758.76	(400.30)	-	-
11714	8,989.08	8,716.63	353.56	-	(81.11)
11760	885.20	-	885.20	-	-
11779	10,301.45	10,301.45	-	-	-
11811	18,946.71	18,946.71	-	-	-
11828	4,191.55	4,191.55	-	-	-
11833	1,682.72	1,098.94	-	583.78	-
11844	5,903.05	5,903.05	-	-	-
11848	93,242.34	24,928.53	30,248.93	22,139.94	15,924.94
11859	6,694.80	6,694.80	-	-	-
11871	1,171.60	1,171.60	-	-	-
11914	36,917.36	23,905.21	9,420.51	3,591.64	-
11924	231,421.59	30,900.74	31,178.08	73,739.94	95,602.83
11927	42,533.30	25,496.59	17,036.71	-	-
11948	3,133.52	3,133.52	-	-	-
11974	(11.50)	(11.50)	-	-	-
11976	23,398.27	11,558.30	11,839.97	-	-
11979	29,254.14	27,397.56	1,856.58	-	-
11982	42,209.54	42,500.44	-	(290.90)	-

Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
12021	6,359.25	5,618.26	740.99	-	-
12101	965.55	-	965.55	-	-
12102	71,175.61	27,028.49	13,870.53	30,276.59	-
12104	40,670.61	20,573.97	20,181.29	(84.65)	-
12122	(32.80)	(32.80)	-	-	-
12140	17,913.60	17,913.60	-	-	-
12146	20,962.95	4,908.38	5,781.24	5,890.81	4,382.52
12158	17,823.38	17,823.38	-	-	-
12230	6,506.76	4,144.61	2,362.15	-	-
12242	9,119.76	8,420.15	699.61	-	-
12253	5,080.77	1,217.35	3,863.42	-	-
12256	17,887.78	17,887.78	-	-	-
12270	4,819.79	-	4,819.79	-	-
12277	2,346.65	1,225.63	747.35	373.67	-
12282	5,362.13	5,338.88	-	23.25	-
12290	2,002.76	2,002.76	-	-	-
12291	596.03	596.03	-	-	-
12296	29,232.85	384.08	15,929.32	10,493.91	2,425.54
12298	59,795.77	25,619.87	14,419.36	17,458.72	2,297.82
12301	13,668.05	9,923.90	3,744.15	-	-
12303	1,184.25	1,184.25	-	-	-
12308	12,344.90	12,344.90	-	-	-
12314	2,330.86	1,275.30	1,055.56	-	-
12326	916.76	524.35	392.41	-	-
12330	4,543.77	-	-	1,005.11	3,538.66
12331	23,556.06	7,529.09	6,507.75	8,366.47	1,152.75
12334	3,620.86	3,620.86	-	-	-
12341	1,179.80	1,179.80	-	-	-
12343	28,957.45	19,659.45	9,079.05	209.90	9.05
12353	1,131.12	1,131.12	-	-	-
12355	4,681.06	4,681.06	-	-	-
12357	11,881.35	1,573.48	-	2,016.81	8,291.06
12358	1,294.39	1,294.39	-	-	-
12367	9,722.17	9,722.17	-	-	-
12373	5.00	5.00	-	-	-
12380	1,454.04	1,454.04	-	-	-
12390	3,304.57	3,304.57	-	-	-
U11429	15,044.90	15,044.90	-	-	-
U11771	1,079,755.37	556,732.35	358,231.67	164,791.35	-
U12129	544,154.40	168,733.64	160,191.76	178,981.57	36,247.43
U12164	75,413.54	20,979.01	53,559.58	874.95	-
U12171	8,393.63	7,170.44	1,223.19	-	-
U12180	3,884.22	190.10	3,694.12	-	-
U12183	236.00	-	-	236.00	-
U12184	12,578.70	12,578.70	-	-	-

Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
U12187	12,428.10	12,428.10	-	-	-
U12188	17,757.90	17,757.90	-	-	-
Total	<u>5,996,691.62</u>	<u>3,208,741.60</u>	<u>1,434,256.08</u>	<u>979,378.14</u>	<u>374,315.80</u>

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
CDN								
157 VEN REZ PRODUITS	80 \$	25 000,00 \$	704,58 \$	- \$	- \$	- \$	704,58	
202 BUGATTI DESIGN INC	60 \$	25 000,00 \$	25 431,85 \$	199,32 \$	- \$	- \$	25 631,17	
291 DINE ART INC.	60 \$	15 000,00 \$	1 032,48 \$	3 320,06 \$	1 009,95 \$	- \$	5 362,49	
308 POSTECH INNOVATION INC.	30 \$	7 000,00 \$	4 316,16 \$	- \$	- \$	- \$	4 316,16	
316 LIND FURNITURE (CANADA) LT	60 \$	825 000,00 \$	1 736,65 \$	215,36 \$	- \$	- \$	1 952,01	
10020 LBC CANADA INC	60 \$	350 000,00 \$	128 444,89 \$	- \$	- \$	- \$	128 444,89	
10024 AIRWAY SURGICAL APPLICAN	60 \$	5 000,00 \$	- \$	2 028,58 \$	- \$	- \$	2 028,58	
10052 ALPHAVIC INC.	60 \$	30 000,00 \$	6 949,67 \$	719,08 \$	- \$	- \$	7 668,75	
10072 KRAUS CANADA INC (HO)	45 \$	975 000,00 \$	258 533,73 \$	155 454,72 \$	114 937,07 \$	- \$	528 925,52	
10080 QUALITY RUGS OF CANADA LI	90 \$	725 000,00 \$	41 326,70 \$	- \$	- \$	- \$	41 326,70	
10120 BEAVER CARPET LTEE	30 \$	25 000,00 \$	1 158,95 \$	- \$	- \$	- \$	1 158,95	
10136 BOBLEN INC.	30 \$	50 000,00 \$	17 679,48 \$	- \$	- \$	- \$	17 679,48	
10145 MATELAS BOURCK ENRG.	60 \$	25 000,00 \$	3 072,41 \$	2 674,27 \$	- \$	- \$	5 746,68	
10222 MATELAS CONDOR ENRG.	60 \$	25 000,00 \$	1 004,61 \$	- \$	- \$	- \$	1 004,61	
10244 MATELAS DAUPHIN INC.	30 \$	175 000,00 \$	101 343,87 \$	- \$	- \$	- \$	101 343,87	
10273 DOUBLET EX INC.	30 \$	175 000,00 \$	13 356,08 \$	2 962,78 \$	- \$	- \$	16 318,86	
10305 BENNETT FLEET (QUEBEC) IN	50 \$	40 000,00 \$	3 402,81 \$	2 141,95 \$	893,43 \$	- \$	6 438,19	
10331 MATELAS THERAPEDIC	60 \$	5 000,00 \$	2 254,11 \$	- \$	- \$	- \$	2 254,11	
10351 IDEALCHEST INC.	60 \$	5 000,00 \$	- \$	3 754,38 \$	- \$	- \$	3 754,38	
10358 COURT 1 SPORTS INC	60 \$	30 000,00 \$	11 533,52 \$	10 024,90 \$	8 412,16 \$	- \$	29 970,58	
10378 LITERIE LAVAL	45 \$	10 000,00 \$	1 898,57 \$	1 859,97 \$	- \$	3 647,19 \$	7 105,73	
10379 MATELAS LAVIOLETTE INC.	60 \$	50 000,00 \$	3 680,61 \$	- \$	- \$	- \$	3 680,61	
10384 TEXTILES LETOURNEAU	45 \$	75 500,00 \$	27 771,01 \$	- \$	- \$	- \$	27 771,01	
10385 MATELAS LION D'OR INC.	30 \$	75 000,00 \$	10 927,29 \$	16 306,37 \$	1 030,47 \$	- \$	28 264,13	
10426 CANADEL	20 \$	35 000,00 \$	3 529,98 \$	- \$	- \$	- \$	3 529,98	
10465 COUPONS PARENT INC.	60 \$	6 000,00 \$	833,89 \$	- \$	- \$	- \$	833,89	
10494 REMBOURRAGE A.N.P.	60 \$	50 000,00 \$	32 749,54 \$	- \$	- \$	- \$	32 749,54	
10502 LITERIE PROVINCIALE LTEE	60 \$	50 000,00 \$	3 266,84 \$	1 087,18 \$	3 549,67 \$	3 989,56 \$	11 893,25	
10509 AMEUBLEMENT RENAISSANC	60 \$	15 000,00 \$	1 729,11 \$	- \$	- \$	- \$	1 729,11	
10510 MATELAS RENE INC.	30 \$	50 000,00 \$	18 716,15 \$	- \$	- \$	- \$	18 716,15	
10521 REMB LOUIS ROUSSEAU INC.	60 \$	15 000,00 \$	2 826,31 \$	- \$	- \$	- \$	2 826,31	
10545 SEAWAY PLASTICS LTEE	60 \$	60 000,00 \$	28 034,38 \$	- \$	- \$	- \$	28 034,38	
10547 SERV. CORR. DU CANADA	60 \$	35 000,00 \$	5 498,67 \$	10 089,50 \$	- \$	- \$	15 588,17	
10570 SPORT MASKA INC.	90 \$	20 000,00 \$	6 278,42 \$	- \$	- \$	- \$	6 278,42	
10595 TRANS-CANADA INDUSTRIES	90 \$	6 000,00 \$	344,24 \$	- \$	- \$	- \$	344,24	
10737 FUTON 7TH HEAVEN UTOPIA I	15 \$	5 000,00 \$	1 249,53 \$	- \$	- \$	- \$	1 249,53	
10785 GROUPE GIBO INC.	60 \$	50 000,00 \$	6 075,15 \$	- \$	- \$	- \$	6 075,15	
10848 PRINCESSE	60 \$	45 000,00 \$	- \$	1 580,27 \$	2 357,68 \$	- \$	3 937,95	
10864 2 D TEXTILES ENRG.	60 \$	4 000,00 \$	284,40 \$	- \$	- \$	- \$	284,40	
11049 LITERIE SEDUCTION INC	30 \$	40 000,00 \$	6 739,35 \$	2 745,13 \$	- \$	- \$	9 484,48	
11150 PROFOM INC.	60 \$	15 000,00 \$	3 850,31 \$	- \$	- \$	- \$	3 850,31	
11155 JARDIN DE VILLE INC.	60 \$	27 000,00 \$	2 615,92 \$	- \$	- \$	- \$	2 615,92	
11197 MSCM INC.	20 \$	2 000,00 \$	626,81 \$	- \$	- \$	- \$	626,81	
11209 REMI CARRIER INC.	45 \$	100 000,00 \$	29 097,79 \$	- \$	- \$	- \$	29 097,79	
11210 PROQUAL INC.	60 \$	25 000,00 \$	1 115,72 \$	663,03 \$	- \$	- \$	1 778,75	
11268 ROUILLARD INC.	60 \$	85 000,00 \$	36 681,28 \$	- \$	- \$	- \$	36 681,28	
11272 INTER CONFORT	60 \$	25 000,00 \$	1 034,89 \$	(362,71) \$	- \$	- \$	672,18	
11276 STEERS GROUP LIMITED	30 \$	60 000,00 \$	- \$	15 524,84 \$	- \$	- \$	15 524,84	
11289 MATELAS SIESTA	75 \$	35 000,00 \$	5 017,77 \$	5 249,62 \$	4 461,72 \$	1 941,95 \$	16 671,06	
11415 ROCKLAND TEXTILES INC.	60 \$	30 000,00 \$	9 312,23 \$	1 862,38 \$	- \$	- \$	11 174,61	
11457 MATELAS PRESTIGE	15 \$	75 000,00 \$	26 525,81 \$	- \$	- \$	- \$	26 525,81	
11558 QUATRO TECHNOLOGIES INC.	45 \$	10 000,00 \$	3 121,23 \$	525,28 \$	- \$	- \$	3 646,51	
11577 ARTOPEX PLUS INC.	30 \$	35 000,00 \$	4 979,62 \$	- \$	- \$	- \$	4 979,62	
11580 FUTON DESIGN	60 \$	20 000,00 \$	442,19 \$	- \$	- \$	- \$	442,19	

SCHEDULE 2.9(A)  
SECTION 2

162

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AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

11627	PRO TAC INDUSTRIES INC.	60	\$	3 000,00	\$	1,80	\$	-	\$	-	\$	-	\$	1,80
11676	LITERIE DORMATEX INC.	60	\$	50 000,00	\$	19 314,91	\$	17 404,97	\$	6 208,06	\$	-	\$	42 927,94
11684	FUJSTAR CANADA INC	15	\$	10 000,00	\$	5 758,76	\$	(400,30)	\$	-	\$	-	\$	5 358,46
11714	TRICA	60	\$	75 000,00	\$	8 718,63	\$	353,56	\$	-	\$	(81,11)	\$	8 989,08
11760	VERANDA JARDIN INC	60	\$	2 000,00	\$	-	\$	885,20	\$	-	\$	-	\$	885,20
11779	MANUFACTURE DE MATELAS	31	\$	30 000,00	\$	10 301,45	\$	-	\$	-	\$	-	\$	10 301,45
11811	BROLAIN DISTRIBUTORS LTD.	31	\$	125 000,00	\$	18 946,71	\$	-	\$	-	\$	-	\$	18 946,71
11828	COMFORT FOAM & FIBRE	45	\$	50 000,00	\$	4 191,55	\$	-	\$	-	\$	-	\$	4 191,55
11833	MATELAS SELECT	60	\$	25 000,00	\$	1 098,94	\$	-	\$	-	\$	-	\$	1 098,94
11844	PEL INTERNATIONAL LTEE	30	\$	45 000,00	\$	5 903,05	\$	-	\$	583,78	\$	-	\$	5 903,05
11848	INDUSPAC INC.	75	\$	100 000,00	\$	24 928,53	\$	30 248,93	\$	22 139,94	\$	15 924,94	\$	93 242,34
11859	WESTBORO FLOORING INC	31	\$	35 000,00	\$	6 694,80	\$	-	\$	-	\$	-	\$	6 694,80
11871	MILLENAIRE WILLIAM INC.	30	\$	30 000,00	\$	1 171,60	\$	-	\$	-	\$	-	\$	1 171,60
11914	EXCEL RSYC MOUSSE FOAM I	60	\$	60 000,00	\$	23 905,21	\$	9 420,51	\$	3 591,64	\$	-	\$	36 917,36
11927	MEUBLES BELISLE INC.	60	\$	95 000,00	\$	25 496,59	\$	17 036,71	\$	-	\$	-	\$	42 533,30
11948	MEUBLES TOMALI INC.	30	\$	10 000,00	\$	3 133,52	\$	-	\$	-	\$	-	\$	3 133,52
11974	STYLTEC INC.	30	\$	7 000,00	\$	(11,50)	\$	-	\$	-	\$	-	\$	(11,50)
11976	MATELAS ORTHOPEDIQUE	60	\$	50 000,00	\$	11 558,30	\$	11 839,97	\$	-	\$	-	\$	23 398,27
11979	BELPRO MEDICAL INC	30	\$	35 000,00	\$	27 397,56	\$	1 856,58	\$	-	\$	-	\$	29 254,14
11982	DIAMOND DIVERSIFIED IND. L	30	\$	75 000,00	\$	42 500,44	\$	-	\$	(290,90)	\$	-	\$	42 209,54
12021	SEARS CANADA INC.	60	\$	45 000,00	\$	5 618,26	\$	740,99	\$	-	\$	-	\$	6 359,25
12101	CRE O PACK INTERNATIONAL	60	\$	15 000,00	\$	-	\$	965,55	\$	-	\$	-	\$	965,55
12104	AD MATS CORPORATION	75	\$	65 000,00	\$	20 573,97	\$	20 181,29	\$	(84,65)	\$	-	\$	40 670,61
12122	ATLANTIC FABRICS LIMITED	75	\$	40 000,00	\$	(32,80)	\$	-	\$	-	\$	-	\$	(32,80)
12140	DOWNEAST PLASTICS LTD.	60	\$	20 000,00	\$	17 913,60	\$	-	\$	-	\$	-	\$	17 913,60
12146	MATELAS BEAU REVE INC	60	\$	20 000,00	\$	4 908,38	\$	5 781,24	\$	5 890,81	\$	4 382,52	\$	20 962,95
12150	REMBOURRAGE J A MARTINE	60	\$	50 000,00	\$	17 823,38	\$	-	\$	-	\$	-	\$	17 823,38
12158	BARRY SUPPLIES & FABRIC I	75	\$	175 000,00	\$	4 144,61	\$	2 382,15	\$	-	\$	-	\$	6 506,76
12230	WESCO NA INC	60	\$	40 000,00	\$	8 420,15	\$	699,61	\$	-	\$	-	\$	9 119,76
12242	SPORT SYSTEMS CANADA IN	60	\$	10 000,00	\$	1 217,35	\$	3 863,42	\$	-	\$	-	\$	5 080,77
12253	BEAULIEU CANADA	30	\$	175 000,00	\$	17 887,78	\$	-	\$	-	\$	-	\$	17 887,78
12256	TEC INNOVATIONS	30	\$	30 000,00	\$	-	\$	4 819,79	\$	-	\$	-	\$	4 819,79
12270	COUTURE CARLYLE INC. CW	75	\$	15 000,00	\$	1 225,63	\$	747,35	\$	373,67	\$	-	\$	2 346,65
12277	DOMINION CUTTING SERVICE	45	\$	50 000,00	\$	5 338,88	\$	-	\$	23,25	\$	-	\$	5 362,13
12282	VIOLINE 2006 INC.	30	\$	20 000,00	\$	2 002,76	\$	-	\$	-	\$	-	\$	2 002,76
12290	LOGIFLEX MOB DE BUREAU	30	\$	5 000,00	\$	596,03	\$	-	\$	-	\$	-	\$	596,03
12291	PAKTEK INC.	60	\$	25 000,00	\$	384,08	\$	15 929,32	\$	10 493,91	\$	2 425,54	\$	29 232,85
12296	PAVAR FURNITURE INC.	75	\$	60 000,00	\$	25 619,87	\$	14 419,36	\$	17 458,72	\$	2 297,82	\$	59 795,77
12298	G. ROMANO INC.	30	\$	6 000,00	\$	1 275,30	\$	1 055,56	\$	-	\$	-	\$	1 275,30
12303	WES INDUSTRIES INC.	60	\$	10 000,00	\$	524,35	\$	392,41	\$	-	\$	-	\$	916,76
12308	PYRA MEDIC INC. (W)	60	\$	6 000,00	\$	-	\$	1 055,56	\$	-	\$	-	\$	1 055,56
12314	GROUPE SM PELLETIER	60	\$	10 000,00	\$	7 229,09	\$	6 507,75	\$	8 366,47	\$	3 538,66	\$	23 656,06
12326	HARWELL EMBALLAGE W NL	60	\$	15 000,00	\$	3 620,86	\$	-	\$	-	\$	-	\$	3 620,86
12330	CREATECH INC 90690744 QUE	60	\$	25 000,00	\$	1 179,80	\$	-	\$	-	\$	-	\$	1 179,80
12331	ORTHEX CANADA ENR W	60	\$	5 000,00	\$	19 659,45	\$	9 079,05	\$	209,90	\$	9,05	\$	28 957,45
12334	SHOLA INC	60	\$	7 500,00	\$	1 131,12	\$	-	\$	-	\$	-	\$	1 131,12
12341	REVOLUTION SANTE 9196445	30	\$	75 000,00	\$	19 659,45	\$	-	\$	-	\$	-	\$	19 659,45
12343	JAYMAR dmh	60	\$	10 000,00	\$	4 681,06	\$	-	\$	-	\$	-	\$	4 681,06
12353	EQUIPMENT SANITAIRE CHER	60	\$	30 000,00	\$	1 573,48	\$	-	\$	-	\$	-	\$	1 573,48
12355	ADI ART DESIGN INTERNATIO	60	\$	20 000,00	\$	1 294,39	\$	-	\$	2 016,81	\$	8 291,06	\$	11 881,35
12357	VALENTINO INC W	60	\$	10 000,00	\$	9 722,17	\$	-	\$	-	\$	-	\$	9 722,17
12358	LINEA P. INTERNATIONAL INC	30	\$	10 000,00	\$	5,00	\$	-	\$	-	\$	-	\$	5,00
12367	CONFORT EXCELFLX INC	45	\$	10 000,00	\$	1 454,04	\$	-	\$	-	\$	-	\$	1 454,04
12373	PPD FOAM SOLUTION INC.	45	\$	15 000,00	\$	3 304,57	\$	-	\$	-	\$	-	\$	3 304,57
12380	DISTRIBUTION SECURI - SPOR													
12390	CONQUEST CARPET CORP.													
SUB TOTAL CDN													\$	2 033 974,91
SUB TOTAL USD													\$	47 567,64
TOTAL													\$	2 081 542,55

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

10005 ELRAN	15 \$	500 000,00 \$	303 779,87 \$	180 349,98 \$	27 441,52 \$				511 571,37 \$	350 000,00
10371 SYLCO INC.	75 \$	55 000,00 \$	19 133,32 \$	1 056,44 \$	11 342,99 \$		683,53 \$		32 216,28 \$	50 000,00
10387 LITERIE DRUMMOND LTEE	60 \$	30 000,00 \$		1 173,56 \$	410,29 \$		6 031,69 \$		7 615,54 \$	14 000,00
10551 GESCO LTD PARTNERSHIP	30 \$	600 000,00 \$	74 572,24 \$						74 572,24 \$	20 000,00
11164 D & R FOAM	60 \$	175 000,00 \$	51 488,31 \$	(2 709,26) \$					48 779,05 \$	75 000,00
11399 SIEGES DUCHARME INTERNA	75 \$	150 000,00 \$	6 706,11 \$	9 359,14 \$	7 755,01 \$		56 494,97 \$		80 315,23 \$	75 000,00
11421 LES MEUBLES VANTAGE 1000	60 \$	38 000,00 \$	905,43 \$	8 702,70 \$	5 685,18 \$				15 293,31 \$	25 000,00
11924 MATELAS D'OR 9053-9834 QC	75 \$	200 000,00 \$	30 900,74 \$	31 178,08 \$	73 739,94 \$		95 602,83 \$		231 421,59 \$	200 000,00
12301 L. DAVIS TEXTILES (1981) INC	45 \$	25 000,00 \$	9 923,90 \$	3 744,15 \$					13 668,05 \$	35 000,00
<b>SUB TOTAL CDN Insured</b>		<b>\$ 1 773 000,00</b>	<b>\$ 497 409,92</b>	<b>\$ 232 854,79</b>	<b>\$ 126 374,93</b>		<b>\$ 158 813,02</b>		<b>\$ 1 015 452,66</b>	<b>\$ 844 000,00</b>
10413 MATELAS MARTIN	90 \$	375 000,00 \$	42 935,08 \$	19 370,99 \$	55 168,67 \$		36 161,22 \$		153 635,36 \$	80 000,00
10585 SUBAR	90 \$	325 000,00 \$	55 233,52 \$	32 869,35 \$	65 818,84 \$		67 225,29 \$		221 168,00 \$	75 000,00
11177 TISSUS MORICO INC.	90 \$	150 000,00 \$	30 746,66 \$	25 400,93 \$	24 863,69 \$		8 426,10 \$		89 437,38 \$	100 000,00
11665 BOZANTO INC.	90 \$	400 000,00 \$	138 756,63 \$	112 323,23 \$	\$ 117 018,61		19 875,10 \$		387 973,57 \$	26 000,00
<b>SUB TOTAL CDN Insured Net 90</b>		<b>\$ 1 250 000,00</b>	<b>\$ 267 671,89</b>	<b>\$ 189 982,90</b>	<b>\$ 262 969,81</b>		<b>\$ 131 687,71</b>		<b>\$ 652 212,31</b>	<b>\$ 280 000,00</b>
<b>SUB TOTAL GANNA COUNT</b>										
<b>TOTAL GROSS</b>			<b>\$ 2 116 202,87</b>	<b>\$ 843 485,23</b>	<b>\$ 603 883,41</b>		<b>\$ 338 068,37</b>		<b>\$ 3 901 639,88</b>	
<b>TOTAL OFFER</b>										
<b>SUB TOTAL CDN</b>			<b>\$ 810 672,64</b>	<b>\$ 252 388,52</b>	<b>\$ 128 783,20</b>		<b>\$ 9 513,53</b>		<b>\$ 1 201 357,89</b>	
<b>SUB TOTAL CDN Insured</b>			<b>\$ 298 445,95</b>	<b>\$ 139 712,87</b>	<b>\$ 75 824,96</b>		<b>\$ 95 287,81</b>		<b>\$ 609 271,60</b>	
<b>SUB TOTAL CDN Insured Net 90</b>			<b>\$ 160 603,13</b>	<b>\$ 113 989,74</b>	<b>\$ 157 721,89</b>		<b>\$ 79 012,63</b>		<b>\$ 511 327,39</b>	
<b>SUB TOTAL GANNA COUNT</b>										
<b>TOTAL OFFER</b>			<b>\$ 1 269 721,72</b>	<b>\$ 506 091,14</b>	<b>\$ 362 330,05</b>		<b>\$ 183 813,97</b>		<b>\$ 2 321 956,87</b>	
11682 VALLE FOAM INDUSTRIES INC	45 \$	1 750 000,00 \$	253 895,10 \$		334,27 \$				264 229,37 \$	
12102 A Z SPONGE & FOAM	60 \$	125 000,00 \$	27 028,49	13 870,53	30 276,59				71 175,61	

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
USD							
U11771 JEFFCO FIBRES INC	45	\$ 2 030 325,00	\$ 556 732,35	\$ 358 231,67	\$ 164 791,35	\$ -	\$ 1 079 755,37
U12164 OTIS BED MANUFACTURING C	60	\$ 406 065,00	\$ 20 979,01	\$ 53 559,58	\$ 874,95	\$ -	\$ 75 413,54
U12171 FRANKLIN AUGUST TRADING	30	\$ 7 089,00	\$ 7 170,44	\$ 1 223,19	\$ -	\$ -	\$ 8 393,63
U12183 FOAM FACTORY INC.	60	\$ 9 862,00	\$ -	\$ -	\$ 236,00	\$ -	\$ 236,00
U12184 GREAT NORTHERN ASSOCIAT	60	\$ 59 172,00	\$ 12 578,70	\$ -	\$ -	\$ -	\$ 12 578,70
U12187 QUINN DISTRIBUTORS	30	\$ 49 310,00	\$ 12 428,10	\$ -	\$ -	\$ -	\$ 12 428,10
U12188 KRAUS USA INC.	45	\$ 73 964,00	\$ 17 757,90	\$ -	\$ -	\$ -	\$ 17 757,90
<del>U12188</del> LATEX INTERNATIONAL	30	\$ 10 000,00	\$ 190,10	\$ 3 694,12	\$ -	\$ -	\$ 3 884,22
<b>SUB TOTAL USD</b>		\$ 2 645 787,00	\$ 627 836,60	\$ 416 708,56	\$ 165 902,30	\$ -	\$ 1 210 447,46
U11429 NRF DISTRIBUTORS INC.	30	\$ 256 410,00	\$ 15 044,90	\$ -	\$ -	\$ -	\$ 15 044,90
<b>SUB TOTAL USD Insured</b>		\$ 256 410,00	\$ 15 044,90	\$ -	\$ -	\$ -	\$ 15 044,90
U12129 WCW INC.	90	\$ 1 380 671,00	\$ 168 733,64	\$ 160 191,76	\$ 178 981,57	\$ 36 247,43	\$ 544 154,40
<b>SUB TOTAL USD Insured Net 90</b>		\$ 1 380 671,00	\$ 168 733,64	\$ 160 191,76	\$ 178 981,57	\$ 36 247,43	\$ 544 154,40
<b>SUB TOTAL GANNA COUNT</b>							
<b>TOTAL GROSS</b>		\$ 811 615,14	\$ 576 900,32	\$ 344 883,87	\$ 36 247,43	\$ -	\$ 1 769 646,76
<b>TOTAL OFFER</b>							
<b>SUB TOTAL USD</b>		\$ 219 742,81	\$ 145 848,00	\$ 58 065,81	\$ -	\$ 10%	\$ 423 656,61
<b>SUB TOTAL USD Insured</b>		\$ 5 265,72	\$ -	\$ -	\$ -	\$ 35%	\$ 5 265,72
<b>SUB TOTAL USD Insured</b>		\$ 59 056,77	\$ 56 067,12	\$ 62 643,55	\$ 12 686,60	\$ 35%	\$ 190 454,04
<b>SUB TOTAL GANNA COUNT</b>		\$ -	\$ -	\$ -	\$ -	\$ 0%	\$ -
<b>TOTAL OFFER</b>		\$ 284 065,30	\$ 201 915,11	\$ 120 709,35	\$ 12 686,60	\$ -	\$ 619 376,37
USD CONVERTED TO CDN							
EXCHANGE RATE Jan 31, 2012							
TOTAL CDN GROSS							
TOTAL CDN OFFER							

(4)

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
CDN								
157 VEN REZ PRODUITS	60	\$ 25 000,00						
202 BUGATTI DESIGN INC	60	\$ 25 000,00		(199,32)			(14 808,00)	
291 DINE ART INC.	60	\$ 15 000,00						
308 POSITECH INNOVATION INC.	30	\$ 7 000,00						
316 LIND FURNITURE (CANADA)LT	60	\$ 825 000,00						
10020 LBC CANADA INC	60	\$ 350 000,00	(24 868,08)				(24 868,08)	
10024 AIRWAY SURGICAL APPLICAN	60	\$ 5 000,00						
10052 ALPHAVIC INC.	60	\$ 30 000,00						
10072 KRAUS CANADA INC (HO)	45	\$ 975 000,00						
10080 QUALITY RUGS OF CANADA LI	90	\$ 725 000,00		(12 802,92)	(114 937,07)		(127 739,99)	
10120 BEAVER CARPET LTEE	30	\$ 25 000,00						
10136 BOBLEN INC.	30	\$ 50 000,00	(1 158,95)				(1 158,95)	
10145 MATELAS BOURCK ENRG.	60	\$ 25 000,00						
10222 MATELAS CONDOR ENRG.	30	\$ 175 000,00						
10244 MATELAS DAUPHIN INC.	30	\$ 175 000,00						
10273 DOUBLETTEX INC.	60	\$ 40 000,00		\$ 162,69			162,69	
10305 BENNETT FLEET (QUEBEC) IN								
10331 MATELAS THERAPEDIC								
10351 IDEALCHEST INC.	60	\$ 5 000,00						
10358 COURT 1 SPORTS INC	60	\$ 30 000,00						
10378 LITERIE LAVAL	45	\$ 10 000,00						
10379 MATELAS LAVIOLETTE INC.	60	\$ 50 000,00	(1 403,14)				(1 403,14)	
10384 TEXTILES LETOURNEAU	45	\$ 75 500,00		(6 108,81)	(1 030,47)		(7 139,28)	
10385 MATELAS LION D'OR INC.	30	\$ 75 000,00						
10426 CANADEL	20	\$ 35 000,00						
10465 COUPONS PARENT INC.	60	\$ 6 000,00						
10494 REMBOURRAGE A.N.P.	60	\$ 50 000,00						
10502 LITERIE PROVINCIALE LTEE	60	\$ 50 000,00						
10509 AMEUBLEMENT RENAISSANC	60	\$ 15 000,00						
10510 MATELAS RENE INC.	30	\$ 50 000,00	(4 601,00)				(4 601,00)	
10521 REMB LOUIS ROUSSEAU INC.	60	\$ 15 000,00						
10545 SEAWAY PLASTICS LTEE	60	\$ 60 000,00	(6 193,47)				(6 193,47)	
10547 SERV. CORR. DU CANADA	60	\$ 35 000,00						
10570 SPORT MASKA INC.	90	\$ 20 000,00						
10595 TRANS-CANADA INDUSTRIES	90	\$ 6 000,00						
10737 FUTON 7TH HEAVEN UTOPIA I	15	\$ 5 000,00						
10785 GROUPE GIBO INC.	60	\$ 50 000,00						
10848 PRINCESSE	60	\$ 45 000,00						
10864 2 D TEXTILES ENRG.	60	\$ 4 000,00						
11049 LITERIE SEDUCTION INC	30	\$ 40 000,00						
11150 PROFOM INC.	60	\$ 15 000,00						
11155 JARDIN DE VILLE INC.	60	\$ 27 000,00	(2 615,92)				(2 615,92)	
11197 MSCM INC.	20	\$ 2 000,00						
11208 REMI CARRIER INC.	45	\$ 100 000,00	(16 269,76)				(16 269,76)	
11210 PROQUAI INC.	60	\$ 25 000,00						
11268 ROUILLARD INC.	60	\$ 85 000,00						
11272 INTER CONFORT	60	\$ 25 000,00						
11276 STEERS GROUP LIMITED	30	\$ 60 000,00						
11289 MATELAS SIESTA	75	\$ 35 000,00						
11415 ROCKLAND TEXTILES INC.	60	\$ 30 000,00						
11457 MATELAS PRESTIGE	15	\$ 75 000,00						
11558 QUATRO TECHNOLOGIES INC.	45	\$ 10 000,00						
11577 ARTOPEX PLUS INC.	30	\$ 35 000,00						
11580 FUTON DESIGN	60	\$ 20 000,00	(13 380,06)				(13 380,06)	
				(15 524,84)	(4 461,72)	(1 941,95)		
				(119,69)				

(5)



AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

Account Number	Account Name	Payment Method	Balance	Days	Amount	Days	Amount	Days	Amount
11627	PRO TAC INDUSTRIES INC.		3 000,00	60	\$				
11676	LITERIE DORMATEX INC.		50 000,00	60	\$				
11684	FUJSTAR CANADA INC		10 000,00	15	\$				
11714	TRIGA		75 000,00	60	\$				
11760	VERANDA JARDIN INC		2 000,00	60	\$				
11779	MANUFACTURE DE MATELAS		30 000,00	31	\$				
11811	BROLAIN DISTRIBUTORS LTD.		125 000,00	31	\$				
11828	COMFORT FOAM & FIBRE		50 000,00	45	\$				
11833	MATELAS SELECT		25 000,00	60	\$				
11844	PEL INTERNATIONAL LTEE		45 000,00	30	\$				
11848	INDUSPAC INC.		100 000,00	75	\$				
11859	WESTBORO FLOORING INC		35 000,00	31	\$				
11871	MILLENAIRE WILLIAM INC.		30 000,00	30	\$				
11914	EXCEL RSYC MOUSSE FOAM I		60 000,00	60	\$				
11927	MEUBLES BELISLE INC.		95 000,00	60	\$				
11948	MEUBLES TOMALI INC.		10 000,00	30	\$				
11974	STYLTEC INC.		7 000,00	30	\$				
11976	MATELAS ORTHOPEDIQUE		60 000,00	60	\$				
11979	BELPRO MEDICAL INC		35 000,00	30	\$				
11982	DIAMOND DIVERSIFIED IND. L		75 000,00	30	\$				
12021	SEARPS CANADA INC.		45 000,00	60	\$				
12101	CRE O PACK INTERNATIONAL		15 000,00	60	\$				
12104	AD MATS CORPORATION		65 000,00	75	\$				
12122	ATLANTIC FABRICS LIMITED		40 000,00	75	\$				
12140	DOWNEAST PLASTICS LTD.		20 000,00	60	\$				
12146	MATELAS BEAU REVE INC		20 000,00	60	\$				
12150	REMBOURRAGE J A MARTINE		50 000,00	60	\$				
12158	BARRY SUPPLIES & FABRIC I		175 000,00	75	\$				
12230	WESCO NA INC		40 000,00	60	\$				
12242	SPORT SYSTEMS CANADA IN		10 000,00	60	\$				
12253	BEAULIEU CANADA		175 000,00	30	\$				
12256	TEC INNOVATIONS		30 000,00	30	\$				
12270	COUTURE CARLYLE INC. CW	Post dated	7 500,00	75	\$				
12277	DOMINION CUTTING SERVICE		15 000,00	45	\$				
12282	VICLINE 2006 INC.		50 000,00	45	\$				
12290	LOGIFLEX MOB DE BUREAU		20 000,00	30	\$				
12291	PAKTEK INC.		5 000,00	30	\$				
12296	PAVAR FURNITURE INC.		25 000,00	60	\$				
12298	G. ROMANO INC.		60 000,00	75	\$				
12303	WES INDUSTRIES INC.		5 000,00	30	\$				
12308	PYRA MEDIC INC. (W)	COD	6 000,00	60	\$				
12314	GROUPE SM PELLETIER		20 000,00	60	\$				
12326	HARWELL EMBALLAGE W NL		10 000,00	60	\$				
12330	CREATECH INC 90690744 QUE		7 500,00	60	\$				
12331	ORTHEX CANADA ENR W		25 000,00	60	\$				
12334	SHOLA INC		15 000,00	60	\$				
12341	REVOLUTION SANTE 9196445	COD	5 000,00	30	\$				
12343	JAYMAR bmx		75 000,00	30	\$				
12353	EQUIPMENT SANITAIRE CHIER		10 000,00	60	\$				
12355	ADI ART DESIGN INTERNATIO		30 000,00	60	\$				
12357	VALENTINO INC W		20 000,00	60	\$				
12358	LINEA P. INTERNATIONAL INC				\$				
12367	CONFORT EXCELLEX INC				\$				
12373	PPD FOAM SOLUTION INC.		10 000,00	30	\$				
12380	DISTRIBUTION SECURI - SPOR		15 000,00	45	\$				
12390	CONQUEST CARPET CORP.			45	\$				
SUB TOTAL CDN									
\$ 6 750 500,00 \$ (115 289,52) \$ (50 230,99) \$ (122 358,27) \$ (1 941,95) \$ (289 820,73)									

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

10005 ELRAN	15 \$	500,000.00	\$	(143,702.06)	\$	(27,441.52)	\$	(171,143.58)	\$	350,000.00		
10371 SYLCO INC.	75 \$	55,000.00								50,000.00		
10387 LITERIE DRUMMOND LTEE	60 \$	30,000.00								14,000.00		
10551 GESCO LTD PARTNERSHIP	30 \$	600,000.00	\$	(18,833.96)				(18,833.96)		20,000.00		
11164 D & R FOAM	60 \$	175,000.00	\$	(48,832.73)				(48,832.73)		75,000.00		
11399 SIEGES DUCHARME INTERNA	75 \$	150,000.00								75,000.00		
11421 LES MEUBLES VANTAGE 1000	60 \$	38,000.00								25,000.00		
11924 MATELAS D'OR 9053-9834 QC	75 \$	200,000.00			\$	(17,760.30)		(17,760.30)		200,000.00		
12301 L. DAVIS TEXTILES (1991) INC	45 \$	25,000.00								35,000.00		
<b>SUB TOTAL CDN Insured</b>		<b>\$ 1,773,000.00</b>	<b>\$</b>	<b>(67,666.69)</b>	<b>\$</b>	<b>(27,441.52)</b>	<b>\$</b>	<b>(17,760.30)</b>	<b>\$</b>	<b>(256,570.57)</b>	<b>\$</b>	<b>844,000.00</b>

10413 MATELAS MARTIN	90 \$	375,000.00								80,000.00		
10585 SUBAR	90 \$	325,000.00								75,000.00		
11177 TISSUS MORICO INC.	90 \$	150,000.00								100,000.00		
11665 BOZANTO INC.	90 \$	400,000.00			\$	(10,577.75)		(10,577.75)		25,000.00		
<b>SUB TOTAL CDN Insured Net 90</b>		<b>\$ 1,250,000.00</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(10,577.75)</b>	<b>\$</b>	<b>(10,577.75)</b>	<b>\$</b>	<b>280,000.00</b>

<b>SUB TOTAL GANNA COUNT</b>												
<b>TOTAL GROSS</b>		<b>\$ (182,956.21)</b>	<b>\$</b>	<b>(193,933.05)</b>	<b>\$</b>	<b>(149,799.79)</b>	<b>\$</b>	<b>(30,280.00)</b>	<b>\$</b>	<b>(656,969.05)</b>		

<b>TOTAL OFFER</b>												
<b>SUB TOTAL CDN</b>		<b>\$ (69,173.71)</b>	<b>\$</b>	<b>(30,138.59)</b>	<b>\$</b>	<b>(73,414.96)</b>	<b>\$</b>	<b>(386.39)</b>	<b>\$</b>	<b>(173,115.66)</b>		
<b>SUB TOTAL CDN Insured</b>		<b>\$ (40,600.01)</b>	<b>\$</b>	<b>(86,221.24)</b>	<b>\$</b>	<b>(16,464.91)</b>	<b>\$</b>	<b>(10,656.18)</b>	<b>\$</b>	<b>(153,942.34)</b>		
<b>SUB TOTAL CDN Insured Net 90</b>		<b>\$ -</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(6,346.65)</b>	<b>\$</b>	<b>(6,346.65)</b>		
<b>SUB TOTAL GANNA COUNT</b>												
<b>TOTAL OFFER</b>		<b>\$ (109,773.73)</b>	<b>\$</b>	<b>(116,359.83)</b>	<b>\$</b>	<b>(99,879.87)</b>	<b>\$</b>	<b>(17,391.22)</b>	<b>\$</b>	<b>(333,404.65)</b>		

11682 VALLE FOAM INDUSTRIES INC	45 \$	1,750,000.00										
12102 A Z SPONGE & FOAM	60 \$	125,000.00										

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
<b>USD</b>							
U11771 JEFFCO FIBRES INC	45	\$ 2,030,325.00	\$	(280,018.00)	\$ (164,791.35)		\$ (444,809.35)
U12164 OTIS BED MANUFACTURING C	60	\$ 406,065.00	\$				\$
U12171 FRANKLIN AUGUST TRADING	30	\$ 7,089.00	\$				\$
U12183 FOAM FACTORY INC.	60	\$ 9,862.00	\$				\$
U12184 GREAT NORTHERN ASSOCIAT	60	\$ 59,172.00	\$				\$
U12187 QUINN DISTRIBUTORS	30	\$ 49,310.00	\$				\$
U12188 KRAUS USA INC.	45	\$ 73,964.00	\$				\$
<del>XXXXXXXXXX</del> LATEX INTERNATIONAL	30	\$ 10,000.00	\$				\$
<b>SUB TOTAL USD</b>		\$ 2,645,787.00	\$	(280,018.00)	\$ (164,791.35)	\$	\$ (444,809.35)
U11429 NRF DISTRIBUTORS INC.	30	\$ 256,410.00	\$ (3,626.04)				\$ (3,626.04)
<b>SUB TOTAL USD Insured</b>		\$ 256,410.00	\$ (3,626.04)	\$			\$ (3,626.04)
U12129 WCW INC.	90	\$ 1,380,671.00	\$				\$ 150,000.00
<b>SUB TOTAL USD Insured Net 90</b>		\$ 1,380,671.00	\$				\$ 150,000.00
<b>SUB TOTAL GAMMA COUNT</b>							
<b>TOTAL GROSS</b>		\$ (3,626.04)	\$ (280,018.00)	\$ (164,791.35)	\$		\$ (448,435.39)
<b>TOTAL OFFER</b>							
<b>SUB TOTAL USD</b>		\$	35%	(98,006.30)	\$ (57,676.97)	10%	\$ (155,683.27)
<b>SUB TOTAL USD Insured</b>		\$ (1,269.11)	35%			35%	\$ (1,269.11)
<b>SUB TOTAL USD Insured</b>		\$	35%			35%	\$
<b>SUB TOTAL GAMMA COUNT</b>		\$					\$ 0%
<b>TOTAL OFFER</b>		\$ (1,269.11)	\$ (98,006.30)	\$ (57,676.97)	\$		\$ (156,952.39)
<b>USD CONVERTED TO CDN</b>							
EXCHANGE RATE Jan 31, 2012							
<b>TOTAL CDN GROSS</b>							
<b>TOTAL CDN OFFER</b>							



AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
60	\$ 25 000,00	\$ 704,58	\$ -	\$ -	\$ -	\$ 704,58	
60	\$ 25 000,00	\$ 10 823,17	\$ -	\$ -	\$ -	\$ 10 823,17	
60	\$ 15 000,00	\$ 1 032,48	\$ 3 320,06	\$ 1 009,95	\$ -	\$ 5 362,49	
30	\$ 7 000,00	\$ 4 316,16	\$ -	\$ -	\$ -	\$ 4 316,16	
60	\$ 825 000,00	\$ 1 736,65	\$ 215,36	\$ -	\$ -	\$ 1 952,01	
60	\$ 350 000,00	\$ 103 576,81	\$ -	\$ -	\$ -	\$ 103 576,81	
60	\$ 5 000,00	\$ -	\$ 2 028,58	\$ -	\$ -	\$ 2 028,58	
60	\$ 30 000,00	\$ 6 949,67	\$ 719,08	\$ -	\$ -	\$ 7 668,75	
45	\$ 975 000,00	\$ 258 533,73	\$ 142 651,80	\$ -	\$ -	\$ 401 185,53	
90	\$ 725 000,00	\$ 41 326,70	\$ -	\$ -	\$ -	\$ 41 326,70	
30	\$ 25 000,00	\$ -	\$ -	\$ -	\$ -	\$ -	
30	\$ 50 000,00	\$ 17 679,48	\$ -	\$ -	\$ -	\$ 17 679,48	
60	\$ 25 000,00	\$ 3 072,41	\$ 2 674,27	\$ -	\$ -	\$ 5 746,68	
30	\$ 175 000,00	\$ 1 004,61	\$ -	\$ -	\$ -	\$ 1 004,61	
30	\$ 175 000,00	\$ 101 343,87	\$ -	\$ -	\$ -	\$ 101 343,87	
60	\$ 40 000,00	\$ 13 356,08	\$ 2 982,78	\$ 1 056,12	\$ -	\$ 16 318,86	
60	\$ 5 000,00	\$ 3 402,81	\$ 2 141,95	\$ -	\$ -	\$ 6 600,88	
60	\$ 30 000,00	\$ 2 254,11	\$ -	\$ -	\$ -	\$ 2 254,11	
60	\$ 30 000,00	\$ 11 533,52	\$ 3 754,38	\$ -	\$ -	\$ 3 754,38	
45	\$ 10 000,00	\$ 1 598,57	\$ 10 024,90	\$ 6 857,72	\$ -	\$ 28 416,14	
60	\$ 50 000,00	\$ 2 277,47	\$ 1 859,97	\$ -	\$ -	\$ 7 105,73	
45	\$ 75 500,00	\$ 27 771,01	\$ 10 197,56	\$ -	\$ -	\$ 2 277,47	
30	\$ 75 000,00	\$ 10 927,29	\$ -	\$ -	\$ -	\$ 37 988,57	
20	\$ 35 000,00	\$ 3 528,98	\$ -	\$ -	\$ -	\$ 3 529,98	
60	\$ 6 000,00	\$ 833,89	\$ -	\$ -	\$ -	\$ 833,89	
60	\$ 50 000,00	\$ 32 749,54	\$ -	\$ -	\$ -	\$ 32 749,54	
60	\$ 50 000,00	\$ 3 266,84	\$ 1 087,18	\$ 3 549,67	\$ -	\$ 11 893,25	
60	\$ 15 000,00	\$ 1 729,11	\$ -	\$ -	\$ -	\$ 1 729,11	
30	\$ 50 000,00	\$ 14 114,15	\$ -	\$ -	\$ -	\$ 14 114,15	
60	\$ 15 000,00	\$ 2 826,31	\$ -	\$ -	\$ -	\$ 2 826,31	
60	\$ 60 000,00	\$ 21 840,91	\$ -	\$ -	\$ -	\$ 21 840,91	
60	\$ 35 000,00	\$ 5 498,67	\$ 10 069,50	\$ -	\$ -	\$ 15 568,17	
90	\$ 20 000,00	\$ 6 278,42	\$ -	\$ -	\$ -	\$ 6 278,42	
90	\$ 6 000,00	\$ 344,24	\$ -	\$ -	\$ -	\$ 344,24	
15	\$ 5 000,00	\$ 1 249,53	\$ -	\$ -	\$ -	\$ 1 249,53	
60	\$ 50 000,00	\$ 6 075,15	\$ -	\$ -	\$ -	\$ 6 075,15	
60	\$ 45 000,00	\$ -	\$ 1 580,27	\$ 1 843,67	\$ -	\$ 3 423,94	
60	\$ 4 000,00	\$ 284,40	\$ -	\$ -	\$ -	\$ 284,40	
30	\$ 40 000,00	\$ 6 739,35	\$ 2 745,13	\$ -	\$ -	\$ 9 484,48	
60	\$ 15 000,00	\$ -	\$ 3 850,31	\$ -	\$ -	\$ 3 850,31	
60	\$ 27 000,00	\$ -	\$ -	\$ -	\$ -	\$ -	
20	\$ 2 000,00	\$ 626,81	\$ -	\$ -	\$ -	\$ 626,81	
45	\$ 100 000,00	\$ 12 828,03	\$ -	\$ -	\$ -	\$ 12 828,03	
60	\$ 25 000,00	\$ 1 115,72	\$ 683,03	\$ -	\$ -	\$ 1 778,75	
60	\$ 65 000,00	\$ 31 497,06	\$ -	\$ -	\$ -	\$ 31 497,06	
60	\$ 25 000,00	\$ 1 034,89	\$ (362,71)	\$ -	\$ -	\$ 672,18	
30	\$ 60 000,00	\$ -	\$ -	\$ -	\$ -	\$ -	
75	\$ 35 000,00	\$ 5 017,77	\$ 5 129,93	\$ -	\$ -	\$ 10 147,70	
60	\$ 30 000,00	\$ 9 312,23	\$ 1 862,38	\$ -	\$ -	\$ 11 174,61	
15	\$ 75 000,00	\$ 13 145,75	\$ -	\$ -	\$ -	\$ 13 145,75	
45	\$ 10 000,00	\$ 3 121,23	\$ 585,28	\$ -	\$ -	\$ 3 646,51	
30	\$ 35 000,00	\$ 4 979,82	\$ -	\$ -	\$ -	\$ 5 027,53	
60	\$ 20 000,00	\$ 442,19	\$ -	\$ -	\$ 47,71	\$ 442,19	

9

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

11627 PRO TAC INDUSTRIES INC.	60	\$	3 000,00	\$	1 80	\$	-	\$	-	\$	1,80
11676 LITERIE DORMATEX INC.	60	\$	50 000,00	\$	19 314,91	\$	17 404,97	\$	6 208,06	\$	42 927,94
11684 FUJISTAR CANADA INC	15	\$	10 000,00	\$	5 758,76	\$	(400,30)	\$	-	\$	5 358,46
11714 TRICA	60	\$	75 000,00	\$	8 716,63	\$	353,56	\$	-	\$	8 989,08
11760 VERANDA JARDIN INC	60	\$	2 000,00	\$	-	\$	885,20	\$	-	\$	885,20
11779 MANUFACTURE DE MATELAS	31	\$	30 000,00	\$	10 301,45	\$	-	\$	-	\$	10 301,45
11811 BROLAIN DISTRIBUTEURS LTD.	31	\$	125 000,00	\$	18 946,71	\$	-	\$	-	\$	18 946,71
11828 COMFORT FOAM & FIBRE	45	\$	50 000,00	\$	4 191,55	\$	-	\$	-	\$	4 191,55
11833 MATELAS SELECT	60	\$	25 000,00	\$	1 098,94	\$	-	\$	583,78	\$	1 682,72
11844 PEL INTERNATIONAL LTEE	30	\$	45 000,00	\$	-	\$	-	\$	-	\$	-
11848 INDUSPAC INC.	75	\$	100 000,00	\$	24 928,53	\$	30 248,93	\$	22 139,94	\$	93 242,34
11859 WESTBORO FLOORING INC	31	\$	35 000,00	\$	6 694,80	\$	-	\$	-	\$	6 694,80
11871 MILLENAIRE WILLIAM INC.	30	\$	30 000,00	\$	1 171,60	\$	-	\$	-	\$	1 171,60
11914 EXCEL RSYC MOUSSE FOAM I	60	\$	60 000,00	\$	23 905,21	\$	9 420,51	\$	3 591,64	\$	36 917,36
11927 MEUBLES BELISLE INC.	60	\$	95 000,00	\$	25 496,59	\$	5 908,67	\$	-	\$	31 405,26
11948 MEUBLES TOMAL INC.	30	\$	10 000,00	\$	3 133,52	\$	-	\$	-	\$	3 133,52
11974 STYLTEC INC.	30	\$	7 000,00	\$	(11,50)	\$	-	\$	-	\$	(11,50)
11976 MATELAS ORTHOPEDIQUE	60	\$	50 000,00	\$	11 558,30	\$	11 839,97	\$	-	\$	23 398,27
11979 BELPRO MEDICAL INC	30	\$	35 000,00	\$	27 397,56	\$	1 856,58	\$	-	\$	29 254,14
11982 DIAMOND DIVERSIFIED IND. L	30	\$	75 000,00	\$	42 500,44	\$	-	\$	(290,90)	\$	42 209,54
12021 SEARS CANADA INC.	60	\$	45 000,00	\$	-	\$	-	\$	-	\$	-
12101 CRE O PACK INTERNATIONAL	60	\$	15 000,00	\$	-	\$	965,55	\$	-	\$	965,55
12104 AD MATS CORPORATION	75	\$	65 000,00	\$	20 573,97	\$	20 181,29	\$	(84,65)	\$	40 670,61
12122 ATLANTIC FABRICS LIMITED	75	\$	40 000,00	\$	(32,80)	\$	-	\$	-	\$	(32,80)
12140 DOWNEAST PLASTICS LTD.	60	\$	20 000,00	\$	17 913,60	\$	-	\$	-	\$	17 913,60
12146 MATELAS BEAU REVE INC	60	\$	20 000,00	\$	4 909,38	\$	5 781,24	\$	5 890,81	\$	20 962,95
12150 REMBOURRAGE J A MARTINE	60	\$	50 000,00	\$	-	\$	-	\$	-	\$	-
12158 BARRY SUPPLIES & FABRIC I	75	\$	175 000,00	\$	9 001,13	\$	-	\$	-	\$	9 001,13
12230 WESCO NA INC	60	\$	40 000,00	\$	4 144,61	\$	2 382,15	\$	-	\$	6 506,76
12242 SPORT SYSTEMS CANADA IN	60	\$	10 000,00	\$	8 420,15	\$	699,61	\$	-	\$	9 119,76
12253 BEAULIEU CANADA	30	\$	175 000,00	\$	1 217,35	\$	257,04	\$	-	\$	1 474,39
12256 TEC INNOVATIONS	30	\$	30 000,00	\$	17 887,78	\$	-	\$	-	\$	17 887,78
12270 COUTURE CARLYLE INC. CW	Post dated	CHI	7 500,00	\$	-	\$	4 819,79	\$	-	\$	4 819,79
12277 DOMINION CUTTING SERVICE	75	\$	15 000,00	\$	1 225,63	\$	747,35	\$	373,67	\$	2 346,65
12282 VICLINE 2006 INC.	45	\$	50 000,00	\$	676,20	\$	-	\$	-	\$	676,20
12290 LOGIFLEX MOB DE BUREAU	30	\$	20 000,00	\$	2 002,76	\$	-	\$	-	\$	2 002,76
12291 PAKTEK INC.	30	\$	5 000,00	\$	595,03	\$	-	\$	-	\$	595,03
12296 PAVAR FURNITURE INC.	60	\$	25 000,00	\$	384,08	\$	15 929,32	\$	10 493,91	\$	29 232,85
12303 G. ROMANO INC.	75	\$	60 000,00	\$	25 619,87	\$	14 419,36	\$	17 458,72	\$	59 795,77
12303 WES INDUSTRIES INC.	30	\$	5 000,00	\$	1 184,25	\$	-	\$	-	\$	1 184,25
12308 PYRA MEDIC INC. (W)	60	\$	5 000,00	\$	12 344,90	\$	-	\$	-	\$	12 344,90
12314 GROUPE SM PELLETER	60	\$	20 000,00	\$	1 275,30	\$	1 055,56	\$	-	\$	2 330,86
12326 HARWELL EMBALLAGE W NL	60	\$	10 000,00	\$	524,35	\$	392,41	\$	-	\$	916,76
12330 CREATECH INC 90690744 QUIE	60	\$	7 500,00	\$	7 529,09	\$	6 507,75	\$	1 005,11	\$	23 556,06
12331 ORTHEX CANADA ENR W	60	\$	25 000,00	\$	3 620,86	\$	-	\$	8 366,47	\$	3 620,86
12334 SHOLA INC	60	\$	15 000,00	\$	1 179,80	\$	-	\$	-	\$	1 179,80
12341 REVOLUTION SANTE 9196445	30	\$	5 000,00	\$	19 659,45	\$	9 079,05	\$	209,90	\$	28 957,45
12343 JAYMAR dnrx	60	\$	75 000,00	\$	1 131,12	\$	-	\$	-	\$	1 131,12
12353 EQUIPMENT SANITAIRE CHER	60	\$	10 000,00	\$	4 681,08	\$	-	\$	-	\$	4 681,08
12355 ADI ART DESIGN INTERNATIO	60	\$	30 000,00	\$	1 573,48	\$	-	\$	-	\$	1 573,48
12357 VALENTINO INC W	60	\$	20 000,00	\$	1 294,39	\$	-	\$	2 016,81	\$	1 294,39
12358 LINEA P. INTERNATIONAL INC	30	\$	10 000,00	\$	9 722,17	\$	-	\$	-	\$	9 722,17
12367 CONFORT EXFLEX INC	45	\$	10 000,00	\$	5,00	\$	-	\$	-	\$	5,00
12373 PPD FOAM SOLUTION INC.	45	\$	15 000,00	\$	1 454,04	\$	-	\$	-	\$	1 454,04
12380 DISTRIBUTION SECURI - SPOR											
12390 CONQUEST CARPET CORP.											

SUB TOTAL CDN

\$ 6 760 500,00 \$ 1 235 831,54 \$ 370 416,55 \$ 92 280,40 \$ 45 625,69 \$ 1 744 154,18

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

10005 ELRAN	15 \$	500 000,00	\$	303 779,87	\$	36 647,92	\$	-	\$	340 427,79	\$	350 000,00		
10371 SYLCO INC.	75 \$	55 000,00	\$	19 133,32	\$	1 056,44	\$	11 342,99	\$	32 216,28	\$	50 000,00		
10387 LITERIE DRUMMOND LTEE	60 \$	30 000,00	\$	-	\$	1 173,56	\$	410,29	\$	7 615,54	\$	14 000,00		
10551 GESCO LTD PARTNERSHIP	30 \$	600 000,00	\$	55 738,28	\$	-	\$	-	\$	55 738,28	\$	20 000,00		
11164 D & R FOAM	60 \$	175 000,00	\$	2 655,58	\$	(2 709,26)	\$	-	\$	(53,68)	\$	75 000,00		
11399 SIEGES DUCHARME INTERNA	75 \$	150 000,00	\$	6 706,11	\$	9 359,14	\$	7 755,01	\$	80 315,23	\$	75 000,00		
11421 LES MEUBLES VANTAGE 1000	60 \$	38 000,00	\$	905,43	\$	8 702,70	\$	5 685,18	\$	15 293,31	\$	25 000,00		
11924 MATELAS D'OP 9053-9834 QC	75 \$	200 000,00	\$	30 900,74	\$	31 178,08	\$	73 739,94	\$	213 661,29	\$	200 000,00		
12301 L. DAVIS TEXTILES (1991) INC	45 \$	25 000,00	\$	9 923,90	\$	3 744,15	\$	-	\$	13 668,05	\$	35 000,00		
<b>SUB TOTAL CDN Insured</b>		<b>\$ 1 773 000,00</b>	<b>\$</b>	<b>429 743,23</b>	<b>\$</b>	<b>89 152,73</b>	<b>\$</b>	<b>98 933,41</b>	<b>\$</b>	<b>141 052,72</b>	<b>\$</b>	<b>758 882,09</b>	<b>\$</b>	<b>844 000,00</b>
10413 MATELAS MARTIN	90 \$	375 000,00	\$	42 935,08	\$	19 370,39	\$	55 168,67	\$	36 161,22	\$	80 000,00		
10565 SUBAR	90 \$	325 000,00	\$	55 233,52	\$	32 888,35	\$	65 818,84	\$	67 225,29	\$	75 000,00		
11177 TISSUS MORICO INC.	90 \$	150 000,00	\$	30 746,66	\$	25 400,93	\$	24 863,69	\$	8 426,10	\$	100 000,00		
11665 BOZANTO INC.	90 \$	400 000,00	\$	138 756,63	\$	112 323,23	\$	117 018,61	\$	9 297,35	\$	25 000,00		
<b>SUB TOTAL CDN Insured Net 90</b>		<b>\$ 1 250 000,00</b>	<b>\$</b>	<b>267 671,89</b>	<b>\$</b>	<b>189 982,90</b>	<b>\$</b>	<b>262 869,81</b>	<b>\$</b>	<b>121 109,36</b>	<b>\$</b>	<b>841 634,56</b>	<b>\$</b>	<b>280 000,00</b>
<b>SUB TOTAL GANNA COUNT</b>														
<b>TOTAL GROSS</b>				<b>\$ 1 933 246,66</b>		<b>\$ 649 552,18</b>		<b>\$ 454 083,62</b>		<b>\$ 307 788,37</b>		<b>\$ 3 344 670,89</b>		
<b>TOTAL OFFER</b>														
<b>SUB TOTAL CDN</b>				<b>\$ 741 498,92</b>		<b>\$ 222 249,93</b>		<b>\$ 55 368,24</b>		<b>\$ 9 125,14</b>		<b>\$ 1 028 242,23</b>		
				60%		60%		60%		20%				
<b>SUB TOTAL CDN Insured</b>				<b>\$ 257 845,94</b>		<b>\$ 53 491,64</b>		<b>\$ 59 360,05</b>		<b>\$ 84 631,63</b>		<b>\$ 455 329,25</b>		
				60%		60%		60%		60%				
<b>SUB TOTAL CDN Insured Net 90</b>				<b>\$ 160 603,13</b>		<b>\$ 113 989,74</b>		<b>\$ 157 721,89</b>		<b>\$ 72 665,98</b>		<b>\$ 504 960,74</b>		
				60%		60%		60%		60%				
<b>SUB TOTAL GANNA COUNT</b>														
<b>TOTAL OFFER</b>				<b>\$ 1 159 948,00</b>		<b>\$ 389 731,31</b>		<b>\$ 272 450,17</b>		<b>\$ 166 422,75</b>		<b>\$ 1 988 552,22</b>		
11682 VALLE FOAM INDUSTRIES INC	45 \$	1 750 000,00	\$	253 895,10	\$	-	\$	334,27	\$	-	\$	254 229,37		
12102 A Z SPONGE & FOAM	60 \$	125 000,00	\$	27 028,49	\$	13 870,53	\$	30 276,59	\$	-	\$	71 175,61		

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	
USD								
U11771 JEFFCO FIBRES INC	45 \$	2 030 325,00 \$	556 732,35 \$	78 213,67 \$	- \$	- \$	634 946,02	
U12164 OTIS BED MANUFACTURING C	60 \$	406 065,00 \$	20 979,01 \$	53 559,58 \$	874,95 \$	- \$	75 413,54	
U12171 FRANKLIN AUGUST TRADING	30 \$	7 089,00 \$	7 170,44 \$	1 223,19 \$	- \$	- \$	8 393,63	
U12183 FOAM FACTORY INC.	60 \$	9 862,00 \$	- \$	- \$	236,00 \$	- \$	236,00	
U12184 GREAT NORTHERN ASSOCIAT	60 \$	59 172,00 \$	12 578,70 \$	- \$	- \$	- \$	12 578,70	
U12187 QUINN DISTRIBUTORS	30 \$	49 310,00 \$	12 428,10 \$	- \$	- \$	- \$	12 428,10	
U12188 KRAUS USA INC.	45 \$	73 964,00 \$	17 757,90 \$	- \$	- \$	- \$	17 757,90	
<del>U12189</del> LATEX INTERNATIONAL	30 \$	10 000,00 \$	190,10 \$	3 694,12 \$	- \$	- \$	3 884,22	
SUB TOTAL USD	\$	2 645 787,00 \$	627 836,60 \$	136 680,56 \$	1 110,95 \$	- \$	765 638,11	
U11429 NRF DISTRIBUTORS INC.	30 \$	256 410,00 \$	11 418,86 \$	- \$	- \$	- \$	11 418,86 \$	
SUB TOTAL USD Insured	\$	256 410,00 \$	11 418,86 \$	- \$	- \$	- \$	11 418,86 \$	
U12129 WCW INC.	90 \$	1 380 671,00 \$	168 733,64 \$	160 191,76 \$	178 981,57 \$	36 247,43 \$	544 154,40 \$	
SUB TOTAL USD Insured Net 90	\$	1 380 671,00 \$	168 733,64 \$	160 191,76 \$	178 981,57 \$	36 247,43 \$	544 154,40 \$	
SUB TOTAL GANNA COUNT								
TOTAL GROSS	\$	807 969,10 \$	296 662,32 \$	180 092,52 \$	36 247,43 \$	- \$	1 321 211,37	
TOTAL OFFER	\$	219 742,81 \$	35%	47 841,70 \$	35%	388,83 \$	10%	267 973,34
SUB TOTAL USD Insured	\$	3 996,60 \$	35%	- \$	35%	- \$	35%	3 996,60
SUB TOTAL USD Insured	\$	59 056,77 \$	35%	56 067,12 \$	62 643,55 \$	12 688,60 \$	35%	190 454,04
SUB TOTAL GANNA COUNT	\$	282 796,19 \$	103 906,81 \$	63 032,38 \$	12 688,60 \$	- \$	462 423,98	
TOTAL OFFER	\$	807 969,10 \$	296 662,32 \$	180 092,52 \$	36 247,43 \$	- \$	1 321 211,37	
TOTAL CDN GROSS	\$	807 969,10 \$	296 662,32 \$	180 092,52 \$	36 247,43 \$	- \$	462 423,98	
TOTAL CDN OFFER	\$	807 969,10 \$	296 662,32 \$	180 092,52 \$	36 247,43 \$	- \$	462 423,98	

USD CONVERTED TO CDN  
EXCHANGE RATE Jan 31, 2012  
TOTAL CDN GROSS  
TOTAL CDN OFFER

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

GROSS

Amount Before Rebates (AR)	CDN	USD	USD to CDN	Total
SUB TOTAL	\$ 2 033 974,91	\$ 1 210 447,46	\$ -	\$ 3 244 422,37
SUB TOTAL Insured	\$ 1 015 452,66	\$ 15 044,90	\$ -	\$ 1 030 497,56
SUB TOTAL Insured Net 90	\$ 852 212,31	\$ 544 154,40	\$ -	\$ 1 396 366,71
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL GROSS</b>	<b>\$ 3 901 639,88</b>	<b>\$ 1 769 646,76</b>	<b>\$ -</b>	<b>\$ 5 671 286,64</b>

VALLE FOAM INDUSTRIES INC.  
A Z SPONGE & FOAM

\$ 254 229,37  
\$ 71 175,61

MISC. EXCHANGE RATE

\$ -

TOTAL GROSS

\$ 5 996 691,62

Rebate Amount (Rebates)

Rebate Amount (Rebates)	CDN	USD	USD to CDN	Total
SUB TOTAL	\$ (289 820,73)	\$ (444 809,35)	\$ -	\$ (734 630,08)
SUB TOTAL Insured	\$ (256 570,57)	\$ (3 626,04)	\$ -	\$ (260 196,61)
SUB TOTAL Insured Net 90	\$ (10 577,75)	\$ -	\$ -	\$ (10 577,75)
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL GROSS</b>	<b>\$ (556 969,05)</b>	<b>\$ (448 435,39)</b>	<b>\$ -</b>	<b>\$ (1 005 404,44)</b>

Combined Amount (Combined)

Combined Amount (Combined)	CDN	USD	USD to CDN	Total
SUB TOTAL	\$ 1 744 154,18	\$ 765 638,11	\$ -	\$ 2 509 792,29
SUB TOTAL Insured	\$ 758 882,09	\$ 11 418,86	\$ -	\$ 770 300,95
SUB TOTAL Insured Net 90	\$ 841 634,56	\$ 544 154,40	\$ -	\$ 1 385 788,96
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL GROSS</b>	<b>\$ 3 344 670,83</b>	<b>\$ 1 321 211,37</b>	<b>\$ -</b>	<b>\$ 4 665 882,20</b>



AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

OFFER

Amount Before Rebates (AR)	CDN	USD	USD to CDN <sup>1</sup>	Total
SUB TOTAL	\$ 1 201 357,89	\$ 423 656,61	\$ -	\$ 1 625 014,50
SUB TOTAL Insured	\$ 609 271,60	\$ 5 265,72	\$ -	\$ 614 537,31
SUB TOTAL Insured Net 90	\$ 511 327,39	\$ 190 454,04	\$ -	\$ 701 781,43
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OFFER</b>	<b>\$ 2 321 956,87</b>	<b>\$ 619 376,37</b>	<b>\$ -</b>	<b>\$ 2 941 333,24</b>

Rebate Amount (Rebates)	CDN	USD	USD to CDN <sup>1</sup>	Total
SUB TOTAL	\$ (173 115,66)	\$ (155 683,27)	\$ -	\$ (328 798,93)
SUB TOTAL Insured	\$ (153 942,34)	\$ (1 269,11)	\$ -	\$ (155 211,46)
SUB TOTAL Insured Net 90	\$ (6 346,65)	\$ -	\$ -	\$ (6 346,65)
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OFFER</b>	<b>\$ (333 404,65)</b>	<b>\$ (156 952,39)</b>	<b>\$ -</b>	<b>\$ (490 357,04)</b>

Combined Amount (Combined)	CDN	USD	USD to CDN <sup>1</sup>	Total
SUB TOTAL	\$ 1 028 242,23	\$ 267 973,34	\$ -	\$ 1 296 215,57
SUB TOTAL Insured	\$ 455 329,25	\$ 3 996,60	\$ -	\$ 459 325,86
SUB TOTAL Insured Net 90	\$ 504 980,74	\$ 190 454,04	\$ -	\$ 695 434,78
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OFFER</b>	<b>\$ 1 988 552,22</b>	<b>\$ 462 423,98</b>	<b>\$ -</b>	<b>\$ 2 450 976,20</b>

(14)

Schedule 2.9(B)

Purchased Inventories

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Section 1

List of Purchased Inventories as of January 11, 2012

(and for some items as of January 31, 2012)

*See document attached*

*Total of one (1) page*


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Section 2

Calculation of the Purchase Price attributed to the Purchased Inventories

*See document attached*

*Total of two (2) page*

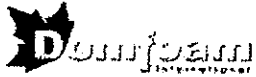
Schedule 2.9(B) - Section 1			
		SEC.	January 11, 2012
		<b>RAW MATERIAL</b>	
SCRAP		1	155 026
FILM		2	52 547
UNDERLAY TUBING		3	36 551
NON CHEMICALS		5	26 656
BONDED CHEMICAL		6	7 354
CHEMICALS (MAJORS)		7	810 266 (1)
OTHERS		8	86 756
SMALL CHEMICALS		9	505 644 (1)
POLYESTER FIBRE			0
		sub total:	1 680 800
			1 680 800
<b>WORK IN PROCESS</b>			
BONDED BLOCKS square		11	10 372
BONDED BUNS round		12	0
SQUARE BLOCK / ETHER BLOCKS		13	1 010 428
ROUND ESTER BUNS		14	25 374
ROUND ETHER UNDERLAY BUNS		15	0
POLY ETHER BUNS		16	143 382
		sub total:	1 189 556
			1 189 556
<b>TOTAL R.M &amp; W. IN P.</b>		total:	2 870 356
			2 870 356
<b>FINISHED GOODS</b>			
BONDED UNDERLAY		17	0
SHIPPING INVENTORY (GOODS)		18,23	113 574 (2)
		sub total:	113 574
			113 574
<b>TOTAL INVENTORY</b>		<b>TOTAL:</b>	<b>2 983 930</b>
			2 983 930
SECTION 1	SUPPLIES	1	33 407
SECTION 2	FIBER	2	3 763
SECTION 3	BLOCS	3	13 286
SECTION 4	BUN ENDS	4	1 827
SECTION 5	COMMANDES/stoc	5	19 798
<b>TOTAL INVENTORY</b>		<b>TOTAL:</b>	<b>72 081</b>
<b>OVERALL VALUE</b>			<b>3 056 011</b>
(1)	As per the document added in the Data Room on Feb. 14, 2012.		
(2)	There is no count for the latex inventory on page 107 of the "Equipment and Inventory" document in the Data Room.		

Schedule 2.9(B) - Section 2

	SEC.	January 11, 2012	Purchase Price offered	
<b>RAW MATERIAL</b>				
SCRAP	1	155 026	109 190	727,930 lbs @ .15/lb
FILM	2	52 547	-	
UNDERLAY TUBING	3	36 551	-	
NON CHEMICALS	5	26 656	2 666	See note 2 below
BONDED CHEMICAL	6	7 354	-	
CHEMICALS (MAJORS)	7	810 266	204 168	See notes 1 & 2 below
OTHERS	8	86 756	0%	
SMALL CHEMICALS	9	505 644	252 822	See note 2 below
POLYESTER FIBRE		0		
	sub total:	<u>1 680 800</u>		
		1 680 800		
<b>WORK IN PROCESS</b>				
BONDED BLOCKS square	11	10 372	-	
BONDED BUNS round	12	0	-	
SQUARE BLOCK / ETHER BLOCKS	13	1 010 428	303 128	30%
ROUND ESTER BUNS	14	25 374	7 612	30%
ROUND ETHER UNDERLAY BUNS	15	0	-	
POLY ETHER BUNS	16	143 382	43 015	30%
	sub total:	<u>1 189 556</u>		
		1 189 556		
<b>TOTAL R.M. &amp; W. IN P.</b>	total:	<u>2 870 356</u>		
		2 870 356		
<b>FINISHED GOODS</b>				
BONDED UNDERLAY	17	0	-	30%
SHIPPING INVENTORY (GOODS)	18,23	113 574	-	See note 3 below
	sub total:	<u>113 574</u>		
		113 574		
<b>TOTAL INVENTORY</b>	<b>TOTAL:</b>	<u>2 983 930</u>		
		2 983 930		
<b>SECTION 1 SUPPLIES</b>				
SECTION 1	SUPPLIES	1	33 407	-
SECTION 2	FIBER	2	3 763	-
SECTION 3	BLOCS	3	13 286	30%
SECTION 4	BUN ENDS	4	1 827	-
SECTION 5	COMMANDES/stoc	5	19 798	-
<b>TOTAL INVENTORY</b>	<b>TOTAL:</b>	<u>72 081</u>		
		72 081		
Add purchase of uncounted items with no specific price above.			20 000	
<b>OVERALL VALUE</b>		<b>3 056 011</b>	<b>946 586</b>	

\*\* Designates counted inventory

<b>Note 1</b>	
Total Chemical in inventory	810 266
less TDI in inv (value \$0.00) 93 313 lbs @ 1.39/lb	<u>129 705</u>
Remaining inventory	<u>680 561</u>
Value at 30%	<u>204 168</u>
<b>Note 2</b>	
The inventory regarding those items have been evaluated as of January 31, 2012.	
<b>Note 3</b>	
The Purchaser shall pay 100% of the latex based on the cost presented on page 107 of the document "Equipment and Inventory" posted on February 14, 2012 in the Data Room (see attachment) and the final count of Latex as of the Closing Date.	



Sauf sur indication contraire, tout le matériel compté est bon et disponible immédiatement:

SIGNATURE

21 (LAST SHEET)

LATEX INVENTORY

TYPE	QUANTITY	COST	TOTAL
Single Soft (TXL 65)		\$ 115.30	\$ -
Single Medium (TXL 75)		\$ 135.30	\$ -
Single Firm (TXL 85)		\$ 204.95	\$ -
Single XTRA FIRM (TXL 95)		\$ 185.00	\$ -
Twin Soft (T 65)		\$ 115.30	\$ -
Twin Medium (T 75)		\$ 135.30	\$ -
Twin Firm (T 85)		\$ 204.95	\$ -
Twin XTRA FIRM (T 95)		\$ 185.00	\$ -
Double Soft (F 65)		\$ 216.21	\$ -
Double Medium (F 75)		\$ 230.40	\$ -
Double Firm (F85)		\$ 236.40	\$ -
Double XTRA FIRM (F 95)		\$ 256.00	\$ -
Queen Soft (Q 65)		\$ 185.85	\$ -
Queen Medium (Q 75)		\$ 198.45	\$ -
Queen Firm (Q 85)		\$ 315.31	\$ -
Queen XTRA FIRM (Q95)		\$ 352.40	\$ -
King Soft (K 65)		\$ 235.20	\$ -
King Medium (K 75)		\$ 250.95	\$ -
King Firm (K 85)		\$ 284.55	\$ -
King XTRA Firm (K95)		\$ 330.75	\$ -
CK SOFT (CK 65)		\$ 325.00	\$ -
CK MED (CK 75)		\$ 325.00	\$ -
CK FIRM (CK 85)		\$ 360.00	\$ -
CK XTRA FIRM (CK 95)		\$ 390.00	\$ -
5 ZONE		\$ 390.00	\$ -
7 ZONE		\$ 400.00	\$ -
PILLOW		\$ 20.00	\$ -

Schedule 2.9(E)

180

**Excess rebates to customers**

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*See document attached  
Total of two (2) pages*

GROSS REBATES AVAILABLE

CDN Rebates Available		\$	591 556,45
US Rebates Available in (CDN)	1	\$	448 435,39
<b>TOTAL REBATES AVAILABLE</b>		<b>\$</b>	<b>1 039 991,84</b>

GROSS REBATES APPLIED

	CDN	USD	USD to CDN	Total
SUB TOTAL	(289 820,73)	(444 809,35)	-	(734 630,08)
SUB TOTAL Insured	(256 570,57)	(3 626,04)	-	(260 196,61)
SUB TOTAL Insured Net 90	(10 577,75)	-	-	(10 577,75)
SUB TOTAL GANNA COUNT	-	-	-	-
<b>TOTAL GROSS</b>	<b>(556 969,05)</b>	<b>(448 435,39)</b>	<b>-</b>	<b>(1 005 404,44)</b>

EXCESS UNAPPLIED REBATES

	\$	34 587,40
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Domfoam International  
 Rebates  
 As of Jan 27 2012

CUST #	REBATE AMOUNT OUTSTANDING; OFFSET AGAINST ACCOUNTS RECEIVABLE
10072	\$127,739.99
10120	\$1,769.76
10192	\$591.27
10485	\$22,390.75
10551	\$18,833.96
11207	\$2,249.62
U11429	\$3,626.04
12000	\$7,267.85
12253	\$3,606.38
00202	\$14,808.00
10005	\$171,143.58
1020	\$24,868.08
10305	-\$162.69
10358	\$1,554.44
10379	\$4,939.56
10384	\$7,139.28
10510	\$4,601.00
10545	\$6,193.47
10848	\$514.01
11155	\$4,186.45
11164	\$66,036.80
11209	\$16,269.76
11268	\$5,184.22
11289	\$6,523.36
11457	\$13,380.06
11666	\$10,577.75
11771	\$444,809.35
11844	\$5,922.65
11924	\$17,760.30
11927	\$11,128.04
12158	\$8,822.25
12282	\$5,716.50
	\$1,039,991.84



Schedule 4.1(c)

- 183

**Confidentiality Agreement**

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*See document attached  
nine (9) pages*

CONFIDENTIAL

Domfoam International Inc.  
8785 Langelier Blvd  
St Leonard, QC  
HIP 2C9

Attention John Howard

Re: Domfoam International Inc., Valle Foam Industries (1995) Inc. and A-Z Sponge & Foam Products Ltd. (collectively, the "Corporation") – Proposed Sale of Assets ("Proposed Transactions")

---

We have requested that the Corporation provide us (the "Interested Party") with the Confidential Information (defined below) to assist in determining for ourselves the desirability and feasibility of proceeding with the Proposed Transactions pursuant and subject to the terms and conditions set by the Corporation (the "Permitted Purpose") and contained herein.

It is acknowledged that but for delivery of this letter the Corporation would not provide the Interested Party such Confidential Information.

Upon acceptance of this letter by the Corporation and subject to the provisions thereof, the Corporation shall provide or cause to be provided to the Interested Party such Confidential Information as the Corporation in the exercise of its unfettered discretion may determine.

"Confidential Information" means all financial statements and information and all data, compilations, analysis, documentation, and other information and every part thereof, whether in electronic form or otherwise, which now or hereafter comes into the possession or under the control of the Interested Party or its Representatives (defined below) including, without limitation, that relating to the Corporation's business organization, business operations and systems, Know-how, business plans, Research Information, Customer Information, suppliers, financial structure, Financial Information, Supplied Information, Marketing Information, assets, employees, employee relationships, Software and other information of any kind relating to any of the foregoing and includes all data, compilations, analysis and other documents and information prepared by or on behalf of the Interested Party or by any of the Representatives based, in whole or in part, on any of the foregoing, but expressly excluding any reports or analysis of the Corporation conducted by any professionals retained by or with respect to the Corporation, including, without limitation, Deloitte LLP, in connection with the current financial state of the Corporation, any restructuring scenarios available to the Corporation, and any analysis of the value of the Corporation or its assets.

For the purposes of this letter:

- (a) "Corporation" shall include and extend to each subsidiary of the Corporation, each partnership controlled by the Corporation or their

respective subsidiaries, each of whom shall be entitled to directly enforce the provisions of this letter against the Interested Party notwithstanding that this letter is not directly addressed to or required to be accepted by any one or more of such subsidiaries and partnerships;

- (b) **"Customer Information"** includes any information pertaining to the Corporation's customers, prospective customers, customer base and markets, prospective customer base and markets, including customer or prospective customer names and addresses and the names of employees of customers or prospective customers with whom the Corporation is in contact in its business, or proposes to contact, customer or prospective customer requirements and the Corporation's contracts with its customers or prospective customers, including details as to pricing, supply of services, and royalty and/or commission rates;
- (c) **"Financial Information"** includes any and all information pertaining to the Corporation's actual or anticipated sales, income, projections, profit, profitability, pricing, salaries and wages;
- (d) **"Know-how"** includes the accumulated skills, experience, knowledge, patents, intellectual property, information, data, patterns, designs, engineering specifications, schematics and other information with respect to the design, production and provision of the products and/or services offered by the Corporation's business or proposed business and of the Software related thereto;
- (e) **"Marketing Information"** includes information including but not limited to the Corporation's marketing programs, plans, strategies and proposed future products, services, advertising and promotions.
- (f) **"person"** shall be broadly interpreted to include, without limitation, any individual, corporation, limited liability corporation, company, group, partnership, limited liability partnership or other entity.
- (g) **"Representatives"** means, collectively, each of the directors, officers, employees, agents and other representatives of the Interested Party or the Corporation (as the case may be) including, without limitation, their respective lawyers, accountants, consultants and financial advisors;
- (h) **"Research Information"** includes information pertaining to any research, development, investigation, study analysis, experiment or test carried on or proposed to be carried on by the Corporation;
- (i) **"Software"** includes all methods, programs, techniques and other information and materials relating to the handling or treatment of data by computers and all other necessary information utilized in order to provide the services offered by the Corporation's business or proposed business and all documentation thereto, and includes all computer programs, including

Supprimé: and

HTML, JAVA, UNIX, LINUX, GNU, C++, and other internet oriented computer programs, systems software and application programs, and all related manuals, documentation and materials relating to the systems software and application programs;

- (j) "Supplied Information" includes all business information, computer software and technology which is proprietary to any other person doing business with the Corporation and which is made available to the Corporation under conditions of confidentiality.

At the request of the Corporation and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Interested Party covenants and agrees with the Corporation as follows:

- 1. Deemed Confidential Property:** As between the Corporation and the Interested Party, the Confidential Information, and every part thereof, is and shall at all times be deemed to be the confidential property and constitute valuable trade secrets of the Corporation, whether or not, but for this paragraph, the same would otherwise be considered confidential and/or trade secrets and whether or not it is marked or otherwise expressed on its face to be confidential.
- 2. Ownership:** The Confidential Information is and shall be deemed to be owned solely by the Corporation and the right to maintain confidential the Confidential Information constitutes an exclusive proprietary right of the Corporation which it is entitled to protect. The Interested Party does not and shall be deemed not to have any right to or proprietary interest in the Confidential Information. All of the Confidential Information which is disclosed to or otherwise comes into the possession or under the control of the Interested Party shall, subject to paragraph 5 below, be received and held by the Interested Party in trust solely for the Corporation notwithstanding the Interested Party's right to use it for the Permitted Purpose.
- 3. Permitted Use:** The Confidential Information shall only be used directly by the Interested Party and its Representatives for the Permitted Purpose. Except as otherwise provided for herein, the Confidential Information will be kept strictly confidential by the Interested Party, whether or not such Confidential Information is marked or otherwise expressed on its face to be confidential. Other than as permitted herein, the Interested Party will not, directly or indirectly, without the prior written consent of the Corporation (which consent may be arbitrarily withheld) disclose, publish, reproduce or otherwise disseminate or communicate the Confidential Information, nor will it permit, cause or acquiesce in such disclosure or other dissemination or communication of the Confidential Information by the Representatives of the Interested Party or by any other person, all in any manner whatsoever, in whole or in part.

The Interested Party agrees to restrict the disclosure, dissemination or other communication of the Confidential Information solely to such of the Interested Party's Representatives who need to know the Confidential Information for the Permitted Purpose and the Interested Party shall inform its Representatives of the ownership and strict confidential nature of the Confidential Information,

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Supprimé: who are

Supprimé: ed

Supprimé: in writing by the Interested Party

Supprimé: and who agree in writing with the Interested Party to be bound by the terms of this letter

**4. Disclosure List & Responsibility for Representatives:** The Interested Party shall maintain a current listing of each of its Representatives to whom any of the Confidential Information has been disclosed or otherwise disseminated or communicated and on each and every request of the Corporation, the Interested Party shall without delay deliver to the Corporation a complete and accurate copy of such list. The Interested Party shall similarly deliver on request, the following information:

- (a) name of the any law firms, accounting firms and consulting firms (the "Firms") involved with the Interested Party as its Representatives;
- (b) name of the person in charge for each Firm;
- (c) business address and telephone number to reach the person in charge for each Firm;

Supprimé: of any or all persons set out on the said list

The Interested Party shall be responsible and liable to the Corporation for any and all acts or omissions of each of its Representatives which if done or omitted directly by the Interested Party would be a breach of the provisions of this letter.

The Interested Party shall safeguard the Confidential Information from disclosure or other dissemination or communication to any person other than as expressly permitted herein.

5. Exceptions to Prohibited Use: The obligations and limitations imposed on the Interested Party and its Representatives hereunder shall not apply to any Confidential Information:

- (a) which is or becomes generally available to the public other than as a result of its disclosure or other dissemination or communication by the Interested Party or its Representatives; or
- (b) which becomes available to the Interested Party or its Representatives on a non-confidential basis from a source other than the Corporation or its Representatives, provided that such source is not then bound by a confidentiality agreement with the Corporation or otherwise prohibited from transmitting the Confidential Information to the Interested Party or its Representatives by contractual, legal or fiduciary obligation, or
- (c) which is already in possession of the Interested Party, provided that such Confidential Information is not subject to another confidentiality agreement or non disclosure agreement with the Corporation.

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In addition, the obligations and restrictions imposed on the Interested Party and its Representatives hereunder shall not extend to prohibit the Interested Party from discussing the Proposed Transactions with and disclosing any of the Confidential Information to:

- (i) any other person who has signed a confidentiality agreement with the Corporation in substantially the form of the agreement constituted by this letter regarding any of the Proposed Transactions; and

- (ii) any governmental or regulatory body in Canada having jurisdiction over the operations of the Corporation or any part thereof or over the Interested Party in connection with its participation in any of the Proposed Transactions, provided that the disclosure, dissemination or other communication of any of the Confidential Information to such governmental or regulatory body is made on a confidential basis and such confidential basis is either provided for by applicable law or recognized in writing by the relevant body.

Notwithstanding the foregoing provisions of this paragraph 5, in the event that the Interested Party or its Representatives are required by law or governmental action to disclose any of the Confidential Information, the Interested Party and/or its Representatives will, on a best effort basis, deliver to the Corporation prompt prior notification of such requirement(s) so that the Corporation may seek an appropriate protective order and/or waive compliance by the Interested Party or its Representatives with the provisions of this letter. If, failing the obtaining of a protective order or the delivery of such a waiver, the Interested Party is, in the opinion of its legal counsel, compelled to disclose, disseminate or otherwise communicate the Confidential Information, the Interested Party may disclose, disseminate, or otherwise communicate the Confidential Information, but only to the extent so compelled, without liability hereunder.

Supprimé: written

6. **Return of Information:** The Interested Party shall, on receipt of the written request of the Corporation, promptly deliver to the Corporation all of the Confidential Information which is in recorded form (whether such form be in writing or in electronically retrievable form or electronically stored data or otherwise) and each of the Interested Party and its Representatives shall not retain any copies thereof.
7. **No Liability for Information:** At the time(s) any of the Confidential Information is delivered to the Interested Party, the Corporation will attempt to include in such Confidential Information such materials which the Corporation considers to be reliable and relevant for the Permitted Purpose; however, the Corporation shall not have or incur any, and the Interested Party hereby waives any right to claim any, liability to the Interested Party or its Representatives in connection with or arising from the Confidential Information and the use thereof by the Interested Party or its Representatives.

The Interested Party acknowledges and agrees for itself and its Representatives that neither the Corporation nor any of its Representatives in providing the Confidential Information has or will be taken to have made either expressly or impliedly any representations or warranties as to the accuracy or completeness of the Confidential Information and the Interested Party confirms that it is not relying on any representations or warranties of the Corporation or its Representatives in making use of the Confidential Information.

8. **Indemnity:** The Interested Party hereby unconditionally indemnifies and shall forever save harmless the Corporation from and against any and all losses, damages, liabilities (whether actual, contingent or otherwise), proceedings, costs and expenses including, without limitation, legal fees (on a scale as between a solicitor and his own client), which the Corporation or its Representatives may suffer, incur or sustain in

connection with or as a result of a breach by the Interested Party or any of its Representatives of any of the provisions contained in this letter.

All of the provisions contained herein are reasonable in the circumstances and valid and the Interested Party hereby waives all defences, equities and rights to and against the strict enforcement thereof by the Corporation and its Representatives.

Supprimé: rights of set off.

9. **Continuity of Agreement:** The prohibitions, limitations and obligations of the Interested Party herein contained shall continue in full force and effect notwithstanding the Interested Party ceasing to proceed with any of the Proposed Transactions and will survive any termination or cancellation of its involvement, if any, in the Proposed Transactions.
10. **Use of Information Post Involvement:** The Interested Party shall not, at any time after it ceases to proceed with or be involved in the Proposed Transactions and except as otherwise expressly provided for herein: (i) use any of the Confidential Information in furtherance of the business of the Interested Party or the business of any other person; (ii) interfere in any way with any contractual or other business relationship of the Corporation; (iii) disclose, disseminate or otherwise communicate the Confidential Information or any part thereof to any person or utilize the Confidential Information in any way which is adverse to the Corporation; or (iv) directly or indirectly solicit for employment any person who is now employed by the Corporation, unless the Corporation otherwise agrees in writing prior to such solicitation for employment.
11. **Right to Enjoin:** It is acknowledged that the provisions of this letter are essential for the protection of the Corporation and, in the event of the non-performance of any provisions hereof in strict accordance with their specific terms or any breach of any provisions of this letter, the same would cause immediate and irreparable harm and damage to the Corporation for which monetary relief would be inadequate or impossible to ascertain. The Interested Party agrees that upon any breach or threatened breach of the provisions hereof, the Corporation shall be entitled to obtain from any court of competent jurisdiction, interim and permanent injunctive relief or other appropriate form of equitable relief to effectively enforce the provisions hereof, and an accounting of all profits and benefits which may have been or which may be derived both directly or indirectly, as a direct or indirect result of such breach by the Interested Party or any of its Representatives who have committed or who have threatened to commit such breach, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Corporation may be entitled.
- No failure or delay by the Corporation in exercising or taking steps to enforce any of its rights or entitlements under the provisions of this letter shall operate as a waiver thereof, unless such waiver is in writing and signed by the Corporation, nor shall any single or partial exercise thereof preclude any other or future exercise of any other right or entitlement of the Corporation hereunder.
12. **Notices:** Any notice desired, contemplated or required by this letter to be given shall be delivered by hand or facsimile to:

(a) the Corporation at:

8785 Langelier Blvd.  
St Leonard, QC H1P 2C9

Attention: John Howard  
Telephone No. 514-325-8120  
Facsimile No. 514-325-6477

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(b) the Interested Party at:

8600 Decarie Blvd  
Suite 200  
Town of Mount Royal, QC H4P 2N2

Attention: Frank J. Gattinger  
Telephone No. 514-341-8600  
Facsimile No. 514-340-1389

Supprimé:  
Supprimé:  
Supprimé: 1  
Supprimé: Quebec  
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With copy to:

Lamarre Perron Lambert Vincent  
480 Saint-Laurent Blvd.  
Suite 200  
Montreal, QC H2Y 3Y7

Attention: Jacques Vincent  
Telephone No. 514-798-0990  
Facsimile No. 514-798-5599

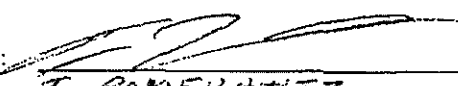
13. **Applicable Law:** The provisions of this letter shall be governed by and construed and enforced exclusively in accordance with the laws of Quebec and the federal laws of Canada applicable therein.

Supprimé: Ontario

The Corporation is requested to evidence its agreement and acceptance of the provisions of the letter by signing and returning the enclosed copy thereof which has been signed by the Interested Party, whereupon this letter will constitute the binding agreement between the Interested Party and the Corporation with respect to the subject matter thereof.

Yours very truly,

S.P. Holdings Canada Inc. or Nominee

Per:   
J. POMERANTZ

Supprimé: 1  
Per: ... [1]



| TO: **S.P. Holdings Canada Inc. or Nominee**

Accepted and agreed to with effect as of the date set out above.

**DOMFOAM INTERNATIONAL INC.**

Per: John C Howard

Per: JOHN C. HOWARD

| BSA v2a

Per: \_\_\_\_\_

List of assets to be acquired by the Vendor

From Valle Foam Industries (1995) Inc.

Prior to the Closing Date

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*See document attached  
one (1) page*

Equipment to be Acquired From Valle Foam

Bonded foam peeler and boring machine  
Foam shredding line c/w blower  
2 shredded foam storage bins c/w fluffer arms, gearboxes and drives (2 units @ \$5,000 each)  
Baumer contour saw c/w infeed and outfeed conveyors  
Wyntec contour saw c/w infeed and outfeed conveyors  
Convoluter - Edge Saw 88" capacity  
Carrousel (of Chinese manufacture)  
Automatic wrapping machine (built at Domfoam in 1996)  
Automatic vertical saw  
Zwick foam tester

Dismantle, transport and reassemble at Domfoam

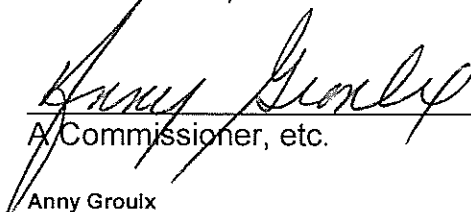
Additional Items

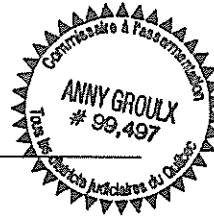
Foam shredding line c/w blower  
floor scale  
Laminator unwind set-up  
Laminator heating system  
Underlay sealer  
Web align unit  
Air compressor  
H.P. boiler 50 HP

Dismantle, transport and reassemble at Domfoam

Tab C

THIS IS EXHIBIT "C" TO THE  
AFFIDAVIT OF JACQUES VINCENT  
SWORN THIS 13<sup>th</sup> DAY OF  
SEPTEMBER, 2018

  
\_\_\_\_\_  
A Commissioner, etc.  
Anny Groulx



---

ASSET PURCHASE AGREEMENT

Made as of the 8<sup>th</sup> day of March, 2012

Between

4037057 CANADA INC.

- and -

DOMFOAM INTERNATIONAL INC.

---

- 197

ASSET PURCHASE AGREEMENT

This Agreement is made as of the 8<sup>th</sup> day of March, 2012,

**BETWEEN:**

4037057 CANADA INC., a corporation existing under the laws of Canada  
(hereinafter referred to as the "Purchaser")

- and -

DOMFOAM INTERNATIONAL INC., a corporation existing under the laws  
of Canada  
(hereinafter referred to as the "Vendor")

**RECITALS**

- A. The Vendor carries on the Business and is willing to sell the Purchased Assets to the Purchaser;
- B. The Vendor has commenced proceedings in the Ontario Superior Court of Justice of the judicial district of Toronto (the "CCAA Court") under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") pursuant to which, among other things, Deloitte has been appointed as the monitor (the "Monitor"); and
- C. The Vendor has agreed to sell and transfer and assign to the Purchaser and, subject to the issuance of the Approval Vesting Order, the Purchaser has agreed to purchase from the Vendor, subject to the conditions contained herein, all of the Vendor's interest in and to the Purchased Assets;

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each party to the other, the parties agree as follows:

**Section 1 – INTERPRETATION**

**1.1 Definitions**

In this Agreement:

- (a) "Agreement" means this asset purchase agreement;
- (b) "Allocation of Purchase Price" has the meaning set out in Section 2.12;
- (c) "Approval and Vesting Order" means an Order of the CCAA Court, in form and content satisfactory to both the Purchaser and the Vendor, acting reasonably, which approves the



Vendor entering into this Agreement and the Transactions contemplated hereunder and vesting the Purchased Assets in the Purchaser free and clear of all liens, charges, pledges, security interests and other encumbrances;

- (c.1) "Assigned Contracts" has the meaning set out in Section 2.3;
- (d) "Assumed Employees" has the meaning set out in Section 2.5;
- (e) "Assumed Obligations" has the meaning set out in Section 2.6;
- (e.1) "BASF Receivables" has the meaning set out in Section 2.9;
- (f) "Books and Records" means all books and records and the data contained therein, whether in paper or electronic form, in the possession of the Vendor relating to the Purchased Assets or the Assumed Obligations (other than accounting records and books and records required by applicable law to be retained by the Vendor, copies of which shall be provided to the Purchaser at the Vendor's cost), including all policies, plans, audit reports, all personnel, employment, payroll and training records relating to the Assumed Employees, customer lists, Customer Contracts, sales records, price lists, and all other related files, records and information in the possession of the Vendor relating to the Purchased Assets or the Assumed Obligations, but, for certainty, not including (i) such books, records and data relating to any of the Excluded Assets or the Excluded Obligations or (ii) the corporate minute books of the Vendor or any of its Subsidiaries;
- (g) "Business" means collectively the business, affairs and operations of the Vendor, which for greater certainty, excludes the Subsidiaries businesses; the Vendor is in the business of manufacturing and selling polyurethane foam in Canada and, to a minimum extent, in the United States of America, for the bedding, carpet underlay, furniture and industrial industries;
- (h) "Business Day" means a day on which banks are open for business in the City of Toronto but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario;
- (i) "CCAA" has the meaning set out in the recitals hereof;
- (j) "CCAA Court" has the meaning set out in the recitals hereof;
- (k) "Closing" means the successful completion of the Transaction;
- (l) "Closing Date" means March 26<sup>th</sup>, 2012 or such other date as the parties may agree to in writing;
- (m) "Contracts" means the agreements as described in Schedule 1.1(m), as the same may be modified by the Purchaser from time to time pursuant to Section 2.8;
- (n) "Customer Contracts" means the Vendor's contracts, agreements, instruments and other legally binding commitments or arrangements, written or oral, concerning the provision of services by the Vendor to its customers including but not limited to those contracts listed in Schedule 1.1(n) attached hereto;
- (o) "Deposit" has the meaning set out in Section 2.11(a);

- (p) "DIP Financing" has the meaning set out in Section 5.1(n);
- (q) "Email" has the meaning set out in Section 7.4;
- (r) "Equipment" means all of the Vendor's equipment (including the Vendor's computer and computer accessories), office equipment, furniture, fixtures, furnishings and supplies of all kinds in the possession or control of the Vendor on the Closing Date, whether owned by the Vendor or in which the Vendor has an interest pursuant to an equipment operating lease or a security agreement;
- (r.1) "Equipment Operating Leases" means all operating leases of equipment or other personal property used by the Vendor as a lessee or under which the Vendor has rights as lessee and listed on Schedule 1.1(r.1) attached hereto;
- (s) "ETA" means the *Excise Tax Act* (Canada);
- (t) "Excluded Assets" has the meaning set out in Section 2.2;
- (u) "Excluded Employees" has the meaning set out in Section 2.5;
- (v) "Excluded Obligations" has the meaning set out in Section 2.7;
- (w) "Initial Order" means the Order of the CCAA Court obtained on January 12, 2012 in the CCAA Court file no. CV-12-9545-00CL;
- (x) "Intellectual Property" means the following intellectual property:
- (i) all designs, graphics, slogans and other commercial symbols and all registrations and applications therefor;
  - (ii) all patents, patent rights (including divisions, reissues, renewals, re-examinations, continuations, continuations in part and extensions) and all applications therefor;
  - (iii) all copyrights, writings and other copyrightable works of authorship, including computer programs, databases and documentation therefor, integrated circuit topographies, industrial designs and other industrial property rights and all applications and registrations therefor and all renewals or extensions of such applications and registrations;
  - (iv) all proprietary and non-public business information, including know-how, trade secrets, improvements, concepts, ideas, technical data, drawings, specifications therefor, business methodologies and processes, confidential information and any licensed property or technology; and
  - (v) all goodwill and trademarks in whatever format, including without limitation, registered and unregistered trademarks, trade names, brand names, service marks, logos, copyrights, certification marks, drawings, permits, internet and electronic email addresses, URLs, telephone, telex and facsimile numbers, content of websites and domain names related to or connected with the business carried on by the Vendor, all related software and electronic code to the extent assignable and other similar intellectual property or intangibles of the Vendor;

- (y) "Interim Period" means the period between the date of acceptance of this Agreement by the Vendor and the Closing Date;
- (z) "Leased Premises" means the premises leased and occupied by the Vendor at:
  - (i) 8785 Langelier Blvd., (Saint-Leonard) Montreal, Québec, H1P 2C9;
  - (ii) 5675 Des Grandes-Prairies Blvd., (Saint-Leonard) Montreal, Québec, H1R 1B3;
  - (iii) 7525 Henri Bourassa East, Montreal, Québec, H1E 1N9;
- (aa) deleted;
- (bb) "Monitor" has the meaning set out in the Recitals;
- (cc) "Objection Notice" has the meaning set out in Section 2.10;
- (dd) "Offer Date Inventory Value" has the meaning set out in Section 2.9;
- (ee) "Offer Date Receivable Value" has the meaning set out in Section 2.9;
- (ff) "Order" means any order, directive, judgment, decree, award or writ of any tribunal;
- (gg) "Purchase Price" has the meaning set out in Section 2.9;
- (hh) "Purchased Assets" means the right, title and interest of the Vendor in and to the assets described in Schedule 1.1(hh), provided that the Purchased Assets shall not include any Excluded Assets;
- (ii) "Purchased Inventories" has the meaning set out in Section 2.9;
- (jj) "Purchased Receivables" has the meaning set out in Section 2.9;
- (kk) "Purchased Working Capital" has the meaning set out in Section 2.10;
- (ll) "QSTA" means an *Act respecting the Quebec Sales Tax*.
- (mm) *Withdrawn*;
- (nn) "Schedules" means any and all schedules referred to in this Agreement and attached thereto;
- (oo) "Subsidiary(ies)" means each of (i) Valle Foam Industries (1995) Inc. having its registered office at 4 West Drive, Brampton (Ontario) L6T 2H7, and (ii) A-Z Sponge & Foam Products Ltd. having its registered office at 811 Cundy Ave., Annacis Island, Delta (British Columbia) V3M 5P6. Those corporations being referred to individually as a "Subsidiary" and collectively as "Subsidiaries";
- (pp) "Taxes" has the meaning set out in Section 2.13;
- (qq) "Tax Return" means a report, return or other information or form required to be supplied to a governmental entity with respect to any Taxes;

- (rr) "Time of Closing" means 2:00 p.m. (Toronto Time) on the Closing Date or such other time on the Closing Date as the parties may mutually agree;
- (ss) "Transaction" means the transaction of purchase, sale, assignment and assumption contemplated by this Agreement;
- (tt) "Unionized Employees" has the meaning set out in Section 2.5; and
- (uu) "Vendor's Intellectual Property " means all Intellectual Property used by the Vendor as at the Closing Date, including any Intellectual Property listed in Schedule 1.1(uu) attached hereto.

201

## 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof.

## 1.3 Extended Meanings

Words importing the singular include the plural and vice versa, words importing gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and governmental authorities. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

[Section 1.4 follows on next page]

#### 1.4 Schedules

The following schedules are incorporated in and form part of this Agreement:

Schedule 1.1(m)	Contracts
Schedule 1.1(o)	Customer Contracts
Schedule 1.1(r.1)	Equipment Operating Leases
Schedule 1.1(hh)	Purchased Assets
Schedule 1.1(uu)	Vendor's Intellectual Property
Schedule 2.2	Excluded Assets
Schedule 2.6	Assumed Obligations
Schedule 2.9(A)	Purchased Receivables
Schedule 2.9(B)	Purchased Inventories
Schedule 2.9(E)	Excess rebates to customers
Schedule 4.1(c)	Confidentiality Agreement
Schedule 5.1(o)	List of assets to be acquired from Valle Foam Industries (1995) Inc.

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[Section 2 follows on next page]

### 2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor the Purchased Assets on the Closing Date. The Purchaser acknowledges that it is not purchasing any other property or assets of the Vendor other than the Purchased Assets. The Purchaser acknowledges and agrees that this Agreement contains a condition (not capable of waiver) that, prior to the Closing, the Vendor shall have obtained the Approval and Vesting Order, as provided in this Agreement. If the Vendor shall not have obtained the Approval and Vesting Order after making application for the same, this Agreement shall automatically terminate without any further action on the part of any of the Vendor or the Purchaser and neither party hereto shall be under any further obligation to the others to complete the Transactions and each party hereto shall be released immediately of all of its obligations hereunder, other than as set forth in Sections 6.6(b) (return of the Deposit), 4.1(c) (Confidentiality Agreement) and 7.3 (Cost and Expenses).

### 2.2 Excluded Assets

The Purchased Assets shall not include (i) any assets of the Vendor other than the Purchased Assets or (ii) those assets of the Vendor that are listed or described in Schedule 2.2 on the date hereof and those assets of the Vendor which are added to such Schedule 2.2 by the Purchaser during the Interim Period (collectively, the "Excluded Assets"). If any of the Excluded Assets or any proceeds in respect thereof shall at any time come into the possession of or under the control of the Purchaser or any of its employees, officers or agents, such assets and proceeds shall be held by the Purchaser in trust for the benefit of the Vendor. Within fifteen (15) Business Days from the date on which the Purchaser, or any of its employees, officers or agents, comes into possession of or obtains control over any of such assets or proceeds, as applicable, the Purchaser shall (a) by notice in writing delivered to the Vendor and the Monitor in accordance with the provisions hereof, so advise the Vendor and the Monitor, and (b) forthwith account and deliver over to the Vendor or the Monitor any such assets or proceeds, less any reasonable costs incurred by the Purchaser in executing said obligations.

### 2.3 Assignment and Assumption of Contracts

Subject to the conditions and terms hereof, the Vendor and the Purchaser agree to work cooperatively and to use their commercial best efforts to obtain the consents or approvals to the assignment of the Customer Contracts and the Contracts or any other contract that the Purchaser may require to be added to Schedule 1.1(m) during the Interim Period (collectively the "Assigned Contracts"), as requested by the Purchaser acting reasonably, on terms and conditions satisfactory to the Purchaser. Except for any administration fee required to be paid to the person whose consent or approval has been requested in respect of any such Assigned Contract, the Vendor shall not be required to pay any amount or fee whatsoever in connection with the Vendor's covenant to attempt to obtain such consent or approval for such Assigned Contracts. The Purchaser agrees to supply all such information to the Vendor and the person whose consent or approval has been requested (including, without limitation, credit and financial information) as may be reasonably requested by the Vendor or the person whose consent or approval has been requested and to otherwise cooperate, acting reasonably, with the Vendor and the person whose consent or approval has been requested in connection with the foregoing. Notwithstanding any other provision of this Agreement, the failure of the Vendor or the Purchaser to have obtained any such consents or approvals requested by the Purchaser shall not entitle the Purchaser to terminate this Agreement or reduce the Purchase Price and shall not operate to release the Purchaser from any of its obligations hereunder.

To the extent the assignment of any of the Assigned Contracts assigned to the Purchaser pursuant to the provisions hereof shall require the consent or approval of any person and such consent or approval is not obtained at or prior to the Time of Closing, this Agreement shall not constitute a contract to assign such Assigned Contract if an attempted assignment would constitute a breach thereof. The Vendor shall co-operate with the Purchaser in any reasonable arrangement designed to provide the Purchaser with the benefit of such Assigned Contract including enforcement of any and all rights of the Vendor (if any) against the other party thereto arising out of any breach or cancellation thereof by such party or otherwise. Nothing contained herein shall be construed to negate or diminish, as between the Vendor and the Purchaser, the Vendor's covenants and obligations to transfer and deliver to the Purchaser the Purchased Assets as provided in this Agreement.

#### 2.4 "As is, Where is"

The Purchaser acknowledges that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "as is, where is" basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and the title to the Purchased Assets as it has deemed appropriate and has satisfied itself with regard to these matters. Without limiting the generality of the foregoing, the Purchaser acknowledges that there are no representations, warranties, terms, conditions, undertakings or collateral agreements, express or implied, statutory or otherwise, with respect to the Purchased Assets or with respect to any other matter or thing whatsoever except as otherwise expressly stated herein, including as to existence, title, encumbrances, description, fitness for purpose and merchantability concerning the Purchased Assets. The description of the Purchased Assets contained in the Schedule 1.1(hh) is for the purpose of identification only. The Purchased Assets are being purchased as they exist at execution hereof and, except as provided in Section 2.10, no adjustment will be allowed to the Purchaser for any change in condition, value, or quality of the Purchased Assets.

#### 2.5 Employees

The Vendor shall provide to the Purchaser within five (5) Business Days of the acceptance of this Agreement a list of the names of the individuals of the Vendor that are full-time, part-time or casual employees or individuals engaged on contract to provide services to the Vendor together with all recruitment agencies' employees actually working for the Vendor. The Purchaser agrees that it shall offer employment to (i) all the unionized employees employed by the Vendor (the "**Unionized Employees**") and (ii) substantially all other employees of the Vendor other than those employees or individuals that the Purchaser has identified in writing to the Vendor ("the "**Excluded Employees**"), and in any event at least 60% of the non-unionized employees, five (5) Business Days prior to the Closing Date (the "**Unionized Employees**" and such other employee or individual who accepts the Purchaser's offer, the "**Assumed Employees**"), effective as at the Time of Closing, on terms and conditions of employment as may be agreed between the Purchaser and the Assumed Employees (except in the case of the Unionized Employees whose employment terms shall be governed by the applicable collective bargaining agreement). Until the Closing Date, the Vendor shall be responsible for all wages, outstanding claims for severance prior to the Closing Date, workers compensation contributions, any amount owed under the *Pay Equity Act* (R.S.Q., chapter E-12.001) and any regulation adopted under such Act, and other remuneration and benefits as may be payable, or related, to the employees of the Vendor. It is expressly understood that the Vendor shall not be responsible for any accrued vacation which may be owing to the Assumed Employees at or before the Time of Closing. After the Closing Date, the Vendor shall remain responsible for all such amounts payable, or related to, the Excluded Employees.

## 2.6 Assumed Obligations

In connection with the acquisition of the Purchased Assets, the following obligations and liabilities ("**Assumed Obligations**") shall be assumed by the Purchaser as of the Time of Closing:

- (a) all obligations related to the Assumed Employees for the period beginning immediately after the Time of Closing;
- (b) all obligations and liabilities of the Vendor as of the Time of Closing under the Customer Contracts and the Contracts;
- (c) all obligations and liabilities in connection with the Purchased Assets and related to the period after the Time of Closing;
- (d) such other liabilities as the Purchaser advises the Vendor prior to the Time of Closing that the Purchaser will assume;
- (e) those obligations listed on Schedule 2.6 hereto;
- (f) all obligation related to the Assumed Employees for any outstanding accrued vacation pay outstanding as at the Time of Closing.

The Purchaser shall indemnify and hold harmless the Vendor with respect to any claim which may, from time to time, be asserted against the Vendor relating to the Assumed Obligations after the Time of Closing and from any and all costs (including all reasonable legal costs on a solicitor and its own client basis), actions, losses, claims, damages and liabilities whatsoever which the Vendor may suffer or incur by virtue of the failure of the Purchaser to pay, perform and discharge the Assumed Obligations.

## 2.7 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable for any other liabilities or obligations of the Vendor (the "**Excluded Obligations**").

## 2.8 Purchaser's Right to Exclude

Notwithstanding anything to the contrary in this Agreement, the Purchaser may, at its option, exclude any of the Purchased Assets, other than any of the Equipment, from the Transaction prior to the Closing Date, whereupon such Purchased Assets shall be Excluded Assets, provided, however, that there shall be no corresponding reduction in the Purchase Price. For greater certainty, the Purchaser shall be entitled to exclude any of the Contracts described in Schedule 1.1(m) hereto (with the exception of the collective bargaining agreement relating to the Unionized Employees) and any of the Customer Contracts described in Schedule 1.1(n) hereto.

## 2.9 Purchase Price

The Purchase Price for the Purchased Assets would be, calculated as described hereinafter, the aggregate amount of three million six hundred sixty two thousand nine hundred and seventy five dollars (\$3,662,975) plus the assumption of the Assumed Obligations, said Purchase Price to be established as of the Closing Date (the "**Purchase Price**").



The Purchase Price is divided as follow:

(A)	Purchased Receivables:	\$2,450,976
(B)	Purchased Inventories:	\$946,586
(C)	<i>Withdrawn</i>	
(D)	All other Purchased Assets:	\$300,000
(E)	Excess rebates to customers	(\$34,587)

For more clarity, the Purchase Price has been established on the following method of calculation as for the Purchased Receivables and the Purchased Inventories, and same method of calculation shall be used to establish the final amount of the Purchase Price as of the Closing Date:

(A) Purchased Receivables

As of January 31, 2012, the total amount of all the Vendor’s accounts receivable (the “**Purchased Receivables**”) is five million nine hundred ninety six thousand six hundred and ninety two dollars (\$ 5,996,692) (the “**Offer Date Receivable Value**”), and is detailed in Schedule 2.9(A) – Section 1.

The portion of the Purchase Price attributed to the Purchased Receivables is two million four hundred fifty thousand nine hundred and seventy six dollars (\$2,450,976) and is calculated as described in Schedule 2.9(A) – Section 2.

(B) Purchased Inventories

As of January 11, 2012 (and for Chemicals (majors) and Small Chemicals, as of January 31, 2012), the total amount of all the Vendor’s inventory (raw material, work in progress and finished goods inventory) (the “**Purchased Inventories**”) is three million fifty six thousand and eleven dollars (\$3,056,011) (the “**Offer Date Inventory Value**”) in Schedule 2.9(B) – Section 1.

The portion of the Purchase Price attributed to the Purchased Inventories is nine hundred forty six thousand five hundred and eighty six dollars (\$946,586) and is calculated as described in Schedule 2.9(B) – Section 2.

(C) BASF Receivables

*Withdrawn*

(D) Other Purchased Assets

The Purchaser is ready to pay the Vendor the amount of three hundred thousand dollars (\$300,000) for all the other Purchased Assets.

(E) Excess rebates to customers

The Purchase Price shall be reduced by the total amount of rebates earned by the Vendor’s customers for the calendar year 2011 and not already applied to the outstanding invoices for each said customer at the Closing Time. As of January 27, 2012, the excess rebates to customers total thirty four

thousand five hundred and eighty seven dollars (\$34,587) as calculated in Schedule 2.9(E) and shall be adjusted as at the Closing Date using the same parameters.

## 2.10 Settlement of the Purchase Price

The Vendor and the Purchaser agree that the Purchase Price shall be adjusted as for the Purchased Receivables and the Purchased Inventories (collectively, the "**Purchased Working Capital**") as follows:

### (A) Re: Accounts receivable:

Subject to the limit established hereinafter in this paragraph, the Purchase Price payable in relation with the Purchased Receivables shall be adjusted downward or upward, as the case may be, as per the formula established in Schedule 2.9(A) – Section 2, in the event and to the extent that, on the Closing Date, the aggregate value of the Purchased Receivables shall be lower or higher, as the case may be, than the Offer Date Receivable Value. Nonetheless, if the total amount of the Purchased Receivables, as the total appears in the first column on page 4 of Schedule 2.9(A) - Section 1, is, as of the Closing Date, over five million nine hundred thousand dollars (\$5,900,000), then the difference between the total amount of the Purchased Receivables as of the Closing Date and the limit herein established shall be deducted from the calculation of the current portion of the Purchased Receivables for the Vendor as of the Closing Date.

### (B) Re: Inventory:

The Purchase Price payable in relation with the Purchased Inventories shall be adjusted downward or upward, as the case may be, as per the formula established in Schedule 2.9(B) – Section 2, in the event and to the extent that, on the Closing Date, the aggregate value of the Purchased Inventories shall be lower or higher, as the case may be, than the Offer Date Inventory Value.

On or before the fifth (5) Business Day after the Closing Date, the Vendor shall deliver to the Purchaser a statement setting forth a detailed calculation of the Purchased Working Capital as of the Closing Date, with all the relevant supporting evidence, and prepared by the Vendor with the same parameters as used for the evaluation of the Purchase Price as for the Purchased Receivables and the Purchased Inventories as detailed in Schedules 2.9(A) and 2.9(B).

The value of the Purchased Inventories shall be based on a physical inventory count and valued on a basis consistent with the Vendor's costing methodologies used for the establishment of the Offer Date Inventory Value. The physical inventory count will be jointly supervised by the Vendor, the Purchaser and the Monitor.

The Purchaser may dispute the value of the Purchased Working Capital as presented by the Vendor by notice in writing (the "**Objection Notice**") given to the Vendor within ten (10) Business Days after the delivery of the Vendor's statement as to the amount of the Purchased Working Capital. Such Objection Notice shall specify, in detail, the basis for the dispute and the Vendor's adjustments to the value of the Purchased Working Capital shown by the Vendor in its statement.

If the Purchaser and the Vendor cannot agree on the value of the Purchased Working Capital within five (5) Business Days after the delivery of the Objection Notice, then either the Purchaser or the Vendor may make a motion to the CCAA Court to resolve this dispute.

Forthwith after agreement as to the amount of the Purchased Working Capital or forthwith upon the decision of the CCAA Court as to the amount of the Purchased Working Capital, then, as the case may be, the Vendor shall refund to the Purchaser such portion of the Purchase Price which is equal to the amount by which the respective Purchased Working Capital values are less than the respective Offer Date Receivable Value and Offer Date Inventory Value, or alternatively, the Purchaser shall pay to the Vendor, by way of certified cheque or wire transfer, such additional amount which is equal to the amount by which the respective Purchased Working Capital values are higher than the respective Offer Date Receivable Value and Offer Date Inventory Value.

The Monitor and the Vendor agree that they shall not make a motion to the CCAA Court for distribution of any funds received by either of them under this Agreement, or otherwise distribute any such funds, unless the Purchase Price adjustments contained in this Section have been completed and the covenant contained in Section 4.2(b) has been fulfilled. However, in the event that the Purchase Price adjustments have not been settled by the date that is ninety (90) days following the Closing Date, the Monitor shall be entitled to bring a distribution motion on appropriate notice to the Purchaser and the Vendor and each of the Purchaser, the Vendor and the Monitor shall be entitled to make submissions to the CCAA Court in this regard.

#### 2.11 Method of Payment

The Purchase Price shall be satisfied as follows:

- (a) a deposit in the amount of three hundred and sixty thousand dollars (\$360,000) (the "Deposit") by bank draft or certified cheque payable to the Monitor, in trust, to be held in trust by the Monitor until the Time of Closing and then credited towards the Purchase Price, or in accordance with any other provision herein;
- (b) the amount of three million one hundred and two thousand nine hundred and seventy five dollars (\$3,102,975) by certified cheque or wire transfer payable to the Monitor at the Time of Closing;
- (c) the amount of two hundred thousand dollars (\$200,000) (the "Holdback") to be paid no later than a sixty (60) days following the Closing Date; and
- (d) by the assumption of the Assumed Obligations.

The Purchaser shall have the ability to offset any portion of the Holdback against any downward adjustment of the Purchase Price per Section 2.10 herein. The Purchaser shall also have the ability to offset any portion of the Holdback against any claim made against the Purchaser from any of the Vendor's employees for any period up to the Closing Time. In such case, the Purchaser shall have the right to retain the Holdback as long as final judgments have not been rendered vis à vis such claim.

#### 2.12 Allocation of Purchase Price

The Purchaser and the Vendor shall, acting reasonably, agree on the allocation of Purchase Price (other than for the Purchased Receivables and the Purchased Inventories) on or before the Closing Date, and they shall execute and file any Tax Returns required on the basis of such allocation.

### 2.13 Taxes

The Purchaser shall be liable for and shall pay any and all federal, provincial and other sales, goods and services, value added, and other transfer taxes which are properly payable by the Purchaser in connection with the transfer of the Purchased Assets by the Vendor to the Purchaser, together with all duties, registration fees or other charges properly payable by the Purchaser upon or in connection with the conveyance or transfer of the Purchased Assets (collectively, the "Taxes").

### 2.14 Value Added Tax

- (a) The Purchaser shall be liable for and shall pay any Taxes which may be exigible under Part IX of the ETA;
- (b) The Vendor hereby declares that it is duly registered under Subdivision (d) of Division V of Part IX of the ETA;
- (c) The Vendor hereby declares that it is duly registered under the QSTA;
- (d) Without limiting the Purchaser's indemnity obligations under Section 2.13, the Vendor and the Purchaser will on the Closing Date jointly execute and deliver to each other an election, in the prescribed form and containing the prescribed information, pursuant to subsection 167(1) of the ETA and the corresponding provision of the QSTA so that no tax is payable under any such laws in respect of the sale and purchase of the Purchased Assets hereunder, and the Purchaser shall file any joint election in accordance with the ETA and QSTA.

### 2.15 Section 22 Election — Accounts Receivable

The Purchaser and the Vendor agree to elect jointly in the prescribed form under Section 22 of the *Income Tax Act* (Canada) as to the sale of the accounts receivable and other applicable Purchased Assets described in Section 22 of the *Income Tax Act* (Canada) and the corresponding provision of the statute that is the provincial equivalent thereof and to designate in such election an amount equal to the portion of the Purchase Price allocated to such assets pursuant to Section 2.12 as the consideration paid by the Purchaser therefor.

### 2.16 Risk of Loss

During the Interim Period, up to the Time of Closing, the Purchased Assets shall be and remain at the risk of the Vendor. If, prior to the Closing Date, all or substantially all of the Purchased Assets or any plant operated by the Vendor is destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by any governmental entity or other lawful authority, the Purchaser shall have the option, at its absolute discretion, exercisable by notice in writing given within fifteen (15) Business Days after the Purchaser receives notice in writing from the Vendor of such destruction, damage, appropriation, expropriation or seizure:

- (a) In the event of damage or destruction, to complete the Transaction subject to a reduction of the Purchase Price to be mutually agreed to by the parties;

- (b) In the event of appropriation or expropriation, to complete the Transaction without reduction of the Purchase Price, in which event all proceeds of insurance or compensation for appropriation, expropriation or seizure shall be payable to the Purchaser and all right and claim of the Vendor to any such amounts not paid on the Closing Date shall be assigned to the Purchaser; or
- (c) In either event, to terminate this Agreement, receive a refund of the Deposit and not complete the Transaction, in which case all obligations of the Purchaser shall terminate forthwith upon the Purchaser giving notice as required herein.

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[Section 3 follows on next page]

**3.1 Purchaser's Representations**

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of Canada;
- (b) the Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated herein and have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter or by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Purchaser and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser is not a non-Canadian person as defined in the *Investment Canada Act*; and
- (f) the Purchaser is or will be prior to Closing Date registered under Part IX of the ETA and under the QSTA.

**3.2 Representations and Warranties of the Vendor**

The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying thereon in completing this Agreement:

- (a) the Vendor is a corporation duly incorporated, organized and subsisting under the laws of Canada;
- (b) the Vendor has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations and the execution and delivery of this Agreement and the consummation of the transactions contemplated herein and have been duly authorized by all necessary corporate action on the part of the Vendor;
- (c) the Vendor is not a party to, bound or affected by or subject to any indenture, agreement, instrument, charter, by-law provision, order, judgment or decree which would be violated, contravened or breached by the execution and delivery by it of this Agreement or the performance by it of any of the terms contained herein;

- (d) this Agreement and all other documents contemplated hereunder to which the Vendor is or will be a party have been or will be, as at the Time of Closing, duly and validly executed and delivered by the Vendor and constitutes or will, as at the Time of Closing, constitute legal, valid and binding obligations of the Vendor, as the case may be, enforceable in accordance with the terms hereof or thereof; and
- (e) the Vendor is a registrant for the purposes of Part IX of the ETA.

### 3.3 Survival of Representations and Warranties

The representations and warranties of the Vendor shall survive the completion of the Transaction and shall continue in full force and effect for the benefit of the Purchaser (which term for the purposes of this Section 3.3 shall include the Purchaser's directors and officers) for a period of nine (9) months from the Closing Date.

The representations and warranties of the Purchaser shall survive the completion of the Transaction and shall continue in full force and effect for the benefit of the Vendor (which term for the purposes of this Section 3.3 shall include the Vendor's respective directors and officers) for a period of nine (9) months from the Closing Date.

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[Section 4 follows on next page]

## Section 4 – RESPECTIVE COVENANTS OF THE PARTIES

### 4.1 Covenants of the Purchaser

- (a) The Purchaser agrees that from and after the Time of Closing, it shall preserve the Books and Records actually received from the Vendor at the Time of Closing, and at the reasonable request of the Vendor, the Monitor or another party acting in a court-appointed capacity (such as a receiver, interim receiver, receiver and manager or bankruptcy trustee, or any of their respective authorized representative) (a "Requestor") from time to time, the Purchaser shall co-operate fully with the Requestor and make available to the Requestor in a reasonable timely fashion during normal business hours (i) such Books and Records, (ii) the premises of the Purchaser for the Requestor's review of the Books and Records, and (iii) at the Requestor's expense, the personnel of the Purchaser, in each case to the extent the Requestor reasonably consider necessary (A) to permit the Requestor to prepare and file necessary Tax Returns and any other statutory documents relating to the operation by the Vendor of its business up to the Time of Closing, (B) to properly fulfil the Vendor's obligations in bankruptcy, as the case may be, (C) for the preparation by any Requestor of any Tax Returns or in connection with any assessment, reassessment or other form of document assessing liability of the Vendor for taxes under applicable tax legislation in respect of any taxation year, (D) in connection with the restructuring proceedings, or (E) to ensure compliance by the Vendor with applicable law;
- (b) The Purchaser agrees that from and after the Time of Closing, it shall permit the Requestor to make copies, at the Requestor's expense, of the Books and Records actually received by the Purchaser from the Vendor at the Time of Closing and shall provide reasonable assistance to the Requestor, at the Requestor's expense, to prepare T4 forms and records of employment for the employees of the Vendor who accept offers of employment from the Purchaser. In the case of the Books and Records actually received from the Vendor at the Time of Closing, the Purchaser agrees to preserve same for a minimum of 6 years from the Closing Date;
- (c) Until the Time of Closing, and in the event of the termination of this Agreement without consummation of the Transaction, the Purchaser shall keep confidential any information obtained from the Vendor in accordance with the confidentiality agreement executed between S.P. Holdings or Nominee and the Vendor on November 25, 2011 (the "Confidentiality Agreement") and attached hereto as Schedule 4.1(c) as if the Purchaser was a party thereto, and the Purchaser hereby agrees in favour of the Vendor to be bound by the terms of such confidentiality agreement as if it were an original signatory thereto. If this Agreement is terminated without consummation of the Transaction contemplated, promptly after termination, all documents, work papers and other written material obtained in connection with this Agreement and not made public (including all copies), shall be returned to the Vendor.

### 4.2 Covenants of the Vendor

- (a) The Vendor shall allow the Purchaser to have reasonable access to the Vendor's management team, on a daily basis, and the Vendor's management team shall answer Purchaser's questions about the operation of the Business, the management of the Business and the decisions to be taken by the Vendor's management team during the Interim Period;



- (b) The Vendor shall provide the Purchaser, within fifteen (15) Business Days following the Closing Date, confirmation that all wages, outstanding claims for severance prior to the Closing Date, workers compensation contribution, any amount owed under the *Pay Equity Act* (R.S.Q., chapter E-12.001) and any regulation adopted under such Act, and other remuneration and benefits as may be payable, or related, to the employees of the Vendor, immediately before the Closing Date, have been paid up to and including the Closing Date. The Vendor shall not terminate any employees during the Interim Period without cause. The Vendor shall give 48 hours notice to the Purchaser of any termination with cause of an employee during the Interim Period.
- (c) The Vendor shall use its best efforts to obtain such releases as may be required by the Purchaser, acting reasonably, regarding the termination of management employees, a list of which shall be provided by the Purchaser no later than ten (10) Business Days prior to the Closing Date; and
- (d) The Vendor agrees that during the Interim Period, it shall continue to conduct its Business in the ordinary course and, without limiting the generality of the foregoing, continue to serve its customers on a daily and normal basis without interruption, purchase inventory to satisfy the needs of the Business and deliver the finished goods on the timely manner as done in the past year.

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[Section 5 follows on next page]

## Section 5 – CONDITIONS

### 5.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed by the Vendor or prior to the Time of Closing:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) deleted;
- (c) *Withdrawn*;
- (d) the Vendor shall not be bankrupt as at the Time of Closing;
- (e) the obtaining of the Approval and Vesting Order to the entire satisfaction of the Purchaser;
- (f) the Vendor shall have performed its obligations under this Agreement to the extent required to be performed on or before the Closing Date;
- (g) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction;
- (h) *Withdrawn*;
- (i) the Vendor shall not have transferred any inventory or equipment to any of its Subsidiaries, shall not have assigned any of its Contracts to its Subsidiaries or have sold to its Subsidiaries any of the Purchased Assets without having obtained from the Purchaser a prior written approval of said transaction which the Purchaser may refuse at its complete discretion;
- (j) *Withdrawn*;
- (k) the Vendor shall have paid all rent due under the Lease for the period from January 12, 2012 up to and throughout the Interim Period;
- (l) the Vendor shall have filed, before the Closing Date, articles of amendment to change its corporate name "Domfoam International Inc." to a numbered corporation, and shall have sought an order of the Court authorizing the change of name required herein if such Order is determined to be necessary by the Purchaser, and shall provide to the Purchaser, at the Time of Closing, (a) with a copy of the certificate of amendment evidencing said change and (b) a written authorization for the Purchaser to use said corporate name and any derivative of it;
- (m) deleted;
- (n) *Withdrawn*;
- (o) In the event that any or all of the assets of Valle Foam Industries (1995) Inc., listed in Schedule 5.1(o) are not, as at the Closing Date, subject to an agreement of purchase and sale and otherwise remain the assets of Valle Foam Industries (1995) Inc., the Vendor

shall have acquired said assets from Valle Foam Industries (1995) Inc., prior to the Closing Date, which assets will therefore form part of the Purchased Assets. The inclusion or exclusion of the assets on Schedule 5.1(o) will not adjust the Purchase Price payable hereunder by the Purchaser; and

- (p) the obtaining on or before the date which is fifteen (15) Business Days from acceptance of this Agreement by the Vendor of a commitment letter from the actual general manager of the Vendor (John C. Howard) on the terms and conditions of a three (3) year employment agreement with the Purchaser.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any such condition (except 5.1(e)) may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

## 5.2 Conditions – Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) no action or proceedings shall be pending or threatened to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the exclusive benefit of the Vendor. Any such condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing.

## 5.3 Mutual Conditions

The obligations of the Vendor on the one hand, and the Purchaser on the other hand are subject to the conditions that:

- (a) the Approval and Vesting Order shall have been made by the CCAA Court on or before the 28<sup>th</sup> day of March, 2012 (or such later date as the parties may agree to, acting reasonably); and
- (b) the Approval and Vesting Order shall not have been stayed, varied or vacated, and no order shall have been issued which restrains or prohibits the completion of the Transaction.

The parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser.

## 5.4 Actions to Satisfy Closing conditions

Each of the parties agrees to diligently take all actions as are within its power to control, and to use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with the conditions set forth in sections 5.1, 5.2 and 5.3 and, generally, the conditions set forth in this Agreement.

#### 5.5 Non-Satisfaction of Conditions

If any condition set out in this Section 5 is not satisfied or performed on or prior the Closing Date, or at any date provided for herein, then the Vendor or the Purchaser, depending whose benefit the condition is inserted, may:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) choose to give the other party an additional delay for said condition to be satisfied or performed; or
- (c) elect on written notice to the other party to terminate this Agreement before Closing.

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[Section 6 follows on next page]

**6.1 Closing**

The completion of the Transaction shall take place on the Closing Date at the Time of Closing at a location to be determined by the mutual agreement of the parties in writing or at such other time as otherwise determined by mutual agreement of the parties in writing.

**6.2 Purchaser's Deliveries on Closing**

At or before the Time of Closing, the Purchaser shall execute and deliver to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the portion of the Purchase Price payable at the Time of Closing;
- (b) payment or evidence of payment of applicable federal and provincial Taxes or alternatively, appropriate exemption certificates, as required by this Agreement;
- (c) general conveyance and assumption of liabilities agreement pursuant to Subsection 2.6 duly executed by the Purchaser, in form and substance mutually satisfactory to the Vendor and the Purchaser;
- (d) the Allocation of Purchase Price pursuant to Section 2.12;
- (e) an assignment or assignments of Intellectual Property agreements, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Purchaser;
- (f) an assignment or assignments of Customer Contracts and Contracts, in form and substance mutually satisfactory to the Purchaser and the Vendor, duly executed by the Purchaser;
- (g) an assignment of leases for the Leased Premises, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Purchaser;
- (h) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (i) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 5.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (j) such further and other documentation as is referred in this Agreement or as the Vendor may reasonably require to give effect to this Agreement including pursuant to Sections 2.2, 2.6 and 2.8.

### 6.3 Vendor's Deliveries on Closing

At or before the Time of Closing, the Vendor shall execute and deliver to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a bill of sale pursuant to which the Vendor shall assign, sell, transfer and convey all of its right, title and interest in and to its Purchased Assets, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (b) an assignment or assignments of Intellectual Property agreements, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (c) an assignment of leases for the Leased Premises, in form and substance mutually satisfactory to the Vendor and the Purchaser, duly executed by the Vendor;
- (d) an assignment or assignments of Customer Contracts and Contracts, in form and substance mutually satisfactory to the Purchaser and the Vendor, duly executed by the Vendor;
- (e) the Approval and Vesting Order in form and substance satisfactory to the Purchaser, acting reasonably;
- (f) a certificate, dated the Closing Date, confirming that all of the representations and warranties of the Vendor contained in this agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (g) an acknowledgement dated the Closing Date, that each of the conditions precedent in Section 5.2 of this Agreement have been fulfilled, performed or waived as of the Closing Date; and
- (h) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement which shall be prepared by the Purchaser at its sole expense and in form and substance satisfactory to the Vendor, acting reasonably.

### 6.4 Possession of Assets

The Vendor shall remain in possession of the Purchased Assets until the Time of Closing. On Closing, the Purchaser shall take possession of the Purchased Assets which shall be located in the Leased Premises. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 6.2.

### 6.5 Access to Assets

deleted

### 6.6 Termination

If either the Vendor on the one hand, or the Purchaser on the other hand, validly terminates this Agreement pursuant to the provisions of Sections 5.5, or 2.16,

- (a) all the obligations of the Vendor and Purchaser pursuant to this Agreement shall terminate;
- (b) the Purchaser shall be entitled to have the Deposit and all the monies paid hereunder returned immediately with any interest earned thereon, as the case may be, but without deduction provided; and
- (c) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from, the other.

6.7 [Break Fee] *Withdrawn*

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[Section 7 follows on next page]

Section 7 – GENERAL

7.1 Further Assurances

Each of the parties shall, from time to time after the Closing Date, at the request and expense of the other, promptly take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such documents and further assurances as may be reasonably necessary to give effect to this Agreement.

7.2 Obligations to Survive

Notwithstanding the completion of the transactions contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations, covenants, representations and warranties of the parties hereto shall survive such completion and shall remain in full force and effect and shall not merge as a result thereof.

7.3 Costs and Expenses

Each party hereto shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants and other advisors) incurred by it in connection with this Agreement and the transactions contemplated herein.

7.4 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered personally or transmitted by fax or electronic mail ("Email"), addressed to:

in the case of the Purchaser, as follows:

4037057 CANADA INC.  
8600 Decarie Blvd. Suite 200  
Mont-Royal, QC  
H4P 2N2

Attention: Terry Pomerantz  
Telephone No.: (514) 341-8600  
Fax No.: (514) 340-1389  
Email: [tpomerantz@tramsngmt.com](mailto:tpomerantz@tramsngmt.com)

With a copy to:

Lamarre Perron Lambert Vincent g.p.  
480 Saint-Laurent Blvd. Suite 200  
Montreal, QC  
H2Y 3Y7

Attention: Jacques Vincent  
Telephone No.: (514) 798-0990  
Fax No.: (514) 798-5599  
Email: [j.vincent@lplv.com](mailto:j.vincent@lplv.com)



and in the case of the Vendor, as follows:

**DOMFOAM INTERNATIONAL INC.**  
8785, boul. Langelier  
Montréal, QC  
H1P 2C9

Attention: Tony Vallecoccia  
Telephone No.: (514) 325-8120  
Fax No.: (514) 325-6477  
Email: [tvallecoccia@vallefoam.com](mailto:tvallecoccia@vallefoam.com)

with a copy to:

Minden Gross LLP  
145 King Street West  
Suite 2100  
Toronto, ON  
M5H 4G2

Attention: Raymond M. Slattery  
Telephone No.: (416) 369-4149  
Fax No.: (416) 864-9223  
Email: [rslattery@mindengross.com](mailto:rslattery@mindengross.com)

and to:

the Monitor

**DELOITTE & TOUCHE INC.**  
181 Bay Street  
Suite 1400  
Toronto, ON  
M5J 2V1

Attention: Robert J. Bougie  
Telephone No.: (416) 601-4509  
Fax No.: (416) 601-6690  
Email: [rbougie@deloitte.ca](mailto:rbougie@deloitte.ca)

with a copy to:

Thornton Grout Finnigan LLP  
100 Wellington Street West  
Suite 3200  
Toronto, ON, M5K 1K7

Attention: Grant B. Moffat  
Telephone No.: (416) 304-0599  
Fax No.: (416) 304-1313  
Email: [gmoffat@tgf.ca](mailto:gmoffat@tgf.ca)

Any such notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or Email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day, and if transmitted by fax or Email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

#### **7.5 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser or by their respective solicitors.

#### **7.6 Currency**

Except where otherwise indicated, all references herein to money amounts are in Canadian currency.

#### **7.7 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

#### **7.8 Third Party Beneficiaries**

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

#### **7.9 Entire Agreement**

This Agreement and the attached Schedules constitute the entire agreement between the parties with respect to the subject matter and supersede all prior negotiations and understandings. This Agreement may not be amended or modified in any respect except by written instrument executed by the parties.

#### **7.10 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

#### **7.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein and each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Quebec. Notwithstanding the foregoing, the parties acknowledge that the Approval and Vesting Order will be sought before the Ontario Superior Court in Toronto and that any disputes related thereto as it relates to court approval or the current *Companies' Creditors Arrangement Act* proceedings of the Vendor shall be determined by the said Ontario Court. The parties acknowledge that any disputes related to the interpretation of this Agreement (including but not limited to its interpretation or its execution) shall be sought before the Quebec Superior Court in Montreal.

### 7.12 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provisions validity or enforceability in any other jurisdiction.

### 7.13 Commission – No Broker

The Purchaser agrees to indemnify the Vendor against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction. It is understood and agreed that no broker, agent or other intermediary has acted for the Vendor in connection with the sale of the Purchased Assets and the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Vendor.

### 7.14 Assignment

Except as hereinafter provided, no party may assign this Agreement without the prior written consent of the other parties, which consent may not be unreasonably withheld or delayed. This Agreement enures to the benefit of and binds the parties and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns. Notwithstanding the foregoing, this Agreement shall be assignable by the Purchaser if the assignee is a “related entity” to the Purchaser within the meaning of that expression under the *Income Tax Act* (Canada). In the event of such assignment, the Purchaser shall remain liable to the Vendor in respect of its obligations hereunder.

### 7.15 Counterparts

This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument. A party's transmission by facsimile or by Email of a copy of this Agreement duly executed by that party shall constitute effective delivery by that party of an executed copy of this Agreement to the party receiving the transmission. A party that has delivered this Agreement by facsimile or by Email shall forthwith deliver an originally executed copy to the other party or parties.

### 7.16 Language

The parties acknowledge that they have requested and are satisfied that the foregoing be drawn up in English. Les parties reconnaissent qu'elles ont exigé que ce qui précède soit rédigé en anglais et s'en déclarent satisfaites.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

The Vendor shall indicate its acknowledgement of and its agreement with the foregoing by signing both copies of this Agreement in the space provided below and returning one fully executed copy to the Purchaser (which return may be made by fax or Email) to:

LPLV  
c/o: Mtre. Jacques Vincent  
Fax: (514) 798-5599  
Email: [j.vincent@lplv.com](mailto:j.vincent@lplv.com)

by no later than 3:00 pm, on March 9, 2012, after which time this Agreement shall be considered null and void as to the Purchaser.

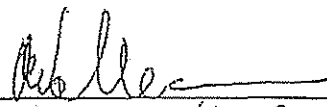
IN WITNESS WHEREOF the Purchaser has duly executed this Agreement on March 8, 2012 at 5:30 p.m.

4037057 CANADA INC.

By: \_\_\_\_\_  
Name: Terry Pomerantz  
Title: President  
I have authority to bind the Purchaser.

IN WITNESS WHEREOF the Vendor has duly executed this Agreement on March 7, 2012 at PLAZA

DOMFOAM INTERNATIONAL INC.

By:   
Name: ANTONIO VALLECORSA  
Title: CEO  
I have authority to bind the Vendor.

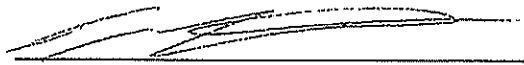
The Vendor shall indicate its acknowledgement of and its agreement with the foregoing by signing both copies of this Agreement in the space provided below and returning one fully executed copy to the Purchaser (which return may be made by fax or Email) to:

LPLV  
c/o: Mtre. Jacques Vincent  
Fax: (514) 798-5599  
Email: [j.vincent@lplv.com](mailto:j.vincent@lplv.com)

by no later than 3:00 pm, on March 9, 2012, after which time this Agreement shall be considered null and void as to the Purchaser.

IN WITNESS WHEREOF the Purchaser has duly executed this Agreement on March 8, 2012 at 5:30 p.m.

4037057 CANADA INC.

By:   
Name: Terry Pomerantz  
Title: President  
I have authority to bind the Purchaser.

IN WITNESS WHEREOF the Vendor has duly executed this Agreement on March \_\_\_\_, 2012 at \_\_: \_\_: \_\_.

DOMFOAM INTERNATIONAL INC.

By: \_\_\_\_\_  
Name:  
Title:  
I have authority to bind the Vendor.

## Schedule 1.1(m)

## Contracts.

- 
1. Subject to Section 2.3, the following Contracts shall form part of the Purchased Assets:
- 1.1. All lease agreements in relation with the Leased Premises;
  - 1.2. Collective bargaining agreement with the Unionized Employees for the period of 2009-2014 (Teamsters Québec, Local 1999);
  - 1.3. All Equipment Operating Leases, to the extent that the Purchaser wishes to avail itself thereof and are not part of the Excluded Assets;
  - 1.4. Exclusive agreement for the Canadian use of specific chemical and formula for Gel Visco;
  - 1.5. All contractual arrangements with the suppliers to the extent that the Purchaser wishes to avail itself thereof;
  - 1.6. The annual Microsoft maintenance contract with PYA Solutions Inc.;
  - 1.7. Microsoft (Navision) Licence agreement;
  - 1.8. Insurance policy re: Property and Liability;
  - 1.9. Insurance policy re: 2002 Ford;
  - 1.10. Coface (receivables);
  - 1.11. Insurance policy re: Directors and Officers liability;
  - 1.12. CN non freight – leases for tracks; and
  - 1.13. Canadiens hockey tickets.

## Schedule 1.1(n)

## Customer Contracts

1. Subject to Section 2.3, the following Customer Contracts shall form part of the Purchased Assets:

- 1.1. Customer bearing number #U11771 in the Books and Records;
- 1.2. Customer bearing number #11682 in the Books and Records;
- 1.3. Customer bearing number #10005 in the Books and Records;
- 1.4. Customer bearing number #10072 in the Books and Records;
- 1.5. Customer bearing number #U12129 in the Books and Records;
- 1.6. Customer bearing number #10020 in the Books and Records;
- 1.7. Customer bearing number #10244 in the Books and Records;
- 1.8. Customer bearing number #11665 in the Books and Records;
- 1.9. Customer bearing number #11924 in the Books and Records;
- 1.10. Customer bearing number #11164 in the Books and Records;
- 1.11. Customer bearing number #10413 in the Books and Records;
- 1.12. Customer bearing number #10585 in the Books and Records;
- 1.13. Customer bearing number #U12164 in the Books and Records;
- 1.14. Customer bearing number #11209 in the Books and Records;
- 1.15. Customer bearing number #11982 in the Books and Records;
- 1.16. Customer bearing number #U11429 in the Books and Records;
- 1.17. Customer bearing number #11177 in the Books and Records;
- 1.18. Customer bearing number #11268 in the Books and Records;
- 1.19. Customer bearing number #11848 in the Books and Records;
- 1.20. Customer bearing number #00202 in the Books and Records;

DOMFOAM INTERNATIONAL INC.  
LEASE COMMITMENTS WORKSHEET  
Dec.15.2011 (for fiscal year ended Apr.30th)

Lease No.	Description of Property	Lease Expiry MMYYYY	2011 Current Yr. Expenses	Minimum Future Lease Commitments					2017 Balance
				2012 1st Year	2013 2nd Year	2014 3rd Year	2015 4th Year	2016 5th Year	
332467	1FUJA6CK97LY49529	05/2013	21,204	21,204	1,767	-	-	-	-
332468	1FUJA6CK57LY49530	05/2013	21,204	21,204	1,767	-	-	-	-
332469	1FUJA6CK7LY49531	05/2013	21,204	21,204	1,767	-	-	-	-
329316	1FUJA6CK37LY49526	11/2013	20,964	20,964	12,229	-	-	-	-
329317	1FUJA6CK57LY49527	11/2013	20,148	20,148	11,753	-	-	-	-
329318	1FUJA6CK7LY49528	11/2013	20,148	20,148	11,753	-	-	-	-
336256	1HTSCAAMXXH227668	11/2013	20,148	20,148	11,753	-	-	-	-
336257	1FUJA6CK97LY61325	11/2013	20,148	20,148	11,753	-	-	-	-
336258	1FUJA6CK7LY61324	11/2013	20,148	20,148	11,753	-	-	-	-
325581	1FUJA6CK87LY49523	05/2012	26,952	26,952	2,248	-	-	-	-
325582	1FUJA6CK7LY49524	05/2012	26,952	26,952	2,248	-	-	-	-
324854	1FUJA6CK47LY49521	05/2013	24,780	24,780	2,065	-	-	-	-
324855	1FUJA6CK67LY49522	05/2013	24,780	24,780	2,065	-	-	-	-
13423	Rental # A4EC380620	09/2014	14,220	14,220	14,220	5,925	-	-	-
13424	Rental # A3EC380443	09/2014	14,220	14,220	14,220	5,925	-	-	-
13422	Rental # A3EC380225	09/2014	14,220	14,220	14,220	5,925	-	-	-
344371-212772	Rental # A4EC380738	09/2016	12,900	1,176	1,176	1,176	1,176	1,176	490
2550514	Water dispenser Plant	08/2016	-	1,512	1,512	1,512	1,512	1,512	504
344371-205538	Main Photocopier	11/2016	-	9,086	9,912	9,912	9,912	9,912	5,782
344371-205455	Plant & Sales Photocopier	11/2016	-	8,382	9,144	9,144	9,144	9,144	5,334
	TOTALS		344,940	351,396	303,772	144,829	39,519	21,744	12,110

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PREPARED BY: LS DATE: 2011-07-11

REVIEWED BY: DATE:



## Schedule 1.1(hh)

## Purchased Assets

- 
1. All assets, undertakings and properties of the Vendor of every nature and kind whatsoever, and wherever situated, including without limitation the following:
    - 1.1. The Purchased Receivables;
    - 1.2. The Purchased Inventories;
    - 1.3. All goods other than goods listed in section 1.2 hereinabove that are held for sale, lease or rental (whether such goods are saleable, obsolete or damaged) in relation to the Business carried on by the Vendor including materials and supplies;
    - 1.4. The Contracts;
    - 1.5. The Customer Contracts;
    - 1.6. The Equipment;
    - 1.7. The Vendor's Intellectual Property;
    - 1.8. All customer lists and lists of prospective customers and marketing and sales materials and databases not already included in the Vendor's Intellectual Property;
    - 1.9. All corporate names used by the Vendor;
    - 1.10. All rights, title and interest in orders on hand and other contractual arrangements with the customers to the extent that they can be assigned and that the Purchaser wishes to avail itself thereof;
    - 1.11. All the benefit of all unfulfilled orders received by and in favour of the Vendor;
    - 1.12. All other tangible and intangible assets and property used in connection with the Business;
    - 1.13. The exclusive right of the Purchaser to represent itself as carrying on such business in continuation of and in succession to the Vendor;
    - 1.14. All Books and Records;
    - 1.15. All plans, sketches and other documents related to (i) the operations of the Business and (ii) the customers of the Vendor;
    - 1.16. all other property, assets and rights, real or personal, tangible or intangible, owned by the Vendor or to which they are entitled to but excluding the Excluded Assets;

- 1.17. All R & D receivables, income tax receivables, tax refunds, deposit and deposit letters;
- 1.18. All the prepaid amounts related to:
  - 1.18.1. Insurance - Property and Liability
  - 1.18.2. Insurance -- 2002 Ford
  - 1.18.3. Coface (receivables)
  - 1.18.4. Directors and Officers liability
  - 1.18.5. All the taxes (municipal, business and school) for all the Leased Premises.
  - 1.18.6. CN non freight - tracts
  - 1.18.7. Canadiens hockey tickets.
  - 1.18.8. Microsoft (Navision Licence)
- 1.19. The season tickets from Club de Hockey Canadien for the seats 104-J, #13 and #14 together with all the rights attached to said season tickets and any renewal thereof;
- 1.20. All the Equipment Operating Leases that the Purchaser wishes to avail itself thereof and not specifically an Excluded Assets as per Schedule 2.2 attached to this Agreement; and
- 1.21. The assets described in Schedule 5.1(o) of this Agreement.

Schedule 1.1(uu)  
Vendor's Intellectual Property

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Canadian Trademarks

*See document attached  
Total of three (3) pages*

US Trademarks

*See document attached  
Total of one (1) page*

CANADIAN REGISTERED TRADEMARKS: DOMIFOAM

Trademark	Registration application number	Date of application / registration ("A") or ("R")	Name of the current owner or applicant	Expiry date	Name of the agent	Status
1. SPRINGLEX FOAM	1531270	R: 2011-06-10	Domifoam International Inc.	2020-06-07	N/A	forfeited on 2021-06-15
2. CONTOUR-MATIC	LMC641558	R: 2005-06-07	Domifoam International Inc.	2019-11-08	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
3. VILLA	LMC203073	R: 1974-11-08	Domifoam International Inc.	2017-11-20	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2004-11-08
4. CUPPLE FOAM	LMC570966	R: 2002-11-20	Domifoam International Inc.	2012-08-27	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
5. VEMAFOAM	LMC272317	R: 1982-08-27	Domifoam International Inc.	2019-10-28	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1997-08-27
6. ComfyGel	LMC623917	R: 2004-10-28	Domifoam International Inc.	2014-02-24	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
7. SPECURUM	LMC288288	R: 1984-02-24	Domifoam International Inc.	2012-07-16	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1999-02-24
8. INSULGARD	LMC271131	R: 1987-07-16	Domifoam International Inc.	2014-06-22	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1997-07-16
9. CELCOR	LMC292308	R: 1984-06-22	Domifoam International Inc.	2020-03-14	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1999-06-22
10. PRO-BOND	LMC205857	R: 1975-03-14	Domifoam International Inc.	2020-03-14	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2005-03-14
11. DOMIFOAM	LMC145966	R: 1966-06-30	Domifoam International Inc.	2020-03-14	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2013-06-30
12. LODGE	LMC205858	R: 1975-03-14	Domifoam International Inc.	2019-11-01	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2005-03-14
13. CHATEAU	LMC203908	R: 1974-11-01	Domifoam International Inc.	2019-11-01	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2004-11-01
14. Royale	LMC624903	R: 2004-11-01	Domifoam International Inc.	2019-11-01	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
15. EXCALIBUR	LMC289023	R: 1984-03-16	Domifoam International Inc.	2014-03-16	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1999-03-16
16. BIVIERA	LMC202909	R: 1974-11-01	Domifoam International Inc.	2019-11-01	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2004-11-01
17. PERMA-BOND	LMC140301	R: 1972-12-24	Domifoam International Inc.	2016-12-24	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2001-12-24
18. Snuggle-Pedic	LMC641665	R: 2005-07-19	Domifoam International Inc.	2020-07-19	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
19. VETEX	LMC275264	R: 1982-12-31	Domifoam International Inc.	2012-12-31	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1997-12-31
20. FREDDOM FOAM	LMC729834	R: 2008-12-01	Domifoam International Inc.	2023-12-01	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
21. BIOPUSH	LMC729835	R: 2008-12-01	Domifoam International Inc.	2023-12-01	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
22. Hug-A-Pedic	LMC669748	R: 2006-06-06	Domifoam International Inc.	2021-06-06	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
23. NORTHERN TREASURE	LMC638223	R: 2005-04-25	Domifoam International Inc.	2020-04-25	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
24. LA COLLECTION ZODIAC	LMC284243	R: 1984-08-17	Domifoam International Inc.	2014-08-17	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1999-08-17
25. W/UNDER-BOND	LMC180310	R: 1972-12-24	Domifoam International Inc.	2016-12-24	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2001-12-24
26. BONDER	LMC298957	R: 1985-01-11	Domifoam International Inc.	2015-01-11	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2009-01-11
27. QUANTUM	LMC292311	R: 1984-05-21	Domifoam International Inc.	2014-06-22	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1999-06-22
28. MASMUM	LMC265867	R: 1982-02-26	Domifoam International Inc.	2022-05-31	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 2012-02-26
29. VISCOELASTIC Memory Fo	LMC688655	R: 2007-05-31	Domifoam International Inc.	2020-07-19	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
30. Cuddle-Pedic	LMC644418	R: 2005-07-19	Domifoam International Inc.	2024-05-11	Jim Sproule, A-Z Sponges & Foam Products Ltd.	Registered
31. ZODIAC COLLECTION	LMC290616	R: 1984-05-11	Domifoam International Inc.	2024-05-11	Jim Sproule, A-Z Sponges & Foam Products Ltd.	renewed on 1999-05-11

CANADIAN CANCELLED OR ABANDONED TRADEMARKS: DOMFOAM

TradeMark	Registration or application number	date of A.O.R.F.	Name of the current owner or applicant	date of cancellation or abandonment	Name of the agent
1. DOMFOAM MAPLE LEAF & DESIGN	LMC375564	R: 1990-11-08	Domfoam International Inc.	2006-07-06	Stikeman Elliott LLP
2. VISCOPUSH	3960194	A: 2008-11-19	Domfoam International Inc.	2010-12-27	Jim Spruille, A-Z Springs & Foam Products Ltd.
3. SECURIFOAM & DESIGN	832300	A: 1998-11-20	Domfoam International Inc.	2001-01-10	Stikeman Elliott LLP
4. NIMBUS	495427	A: 1982-11-26	Domfoam Inc.	1983-01-28	Seal, Shaposnick
5. PROTECT-A-RUG	LMC177017	R: 1971-07-23	Domfoam Inc.	1985-09-10	Seal, Shaposnick
6. STRATUS	495428	A: 1982-11-26	Domfoam Inc.	1983-12-19	Seal, Shaposnick
7. FLAREX	LMC205782	R: 1975-05-07	Domfoam Inc.	1980-06-27	Seal, Shaposnick
8. CFC & DESIGN	LMC203684	R: 1974-12-06	Domfoam International Inc.	2005-07-21	Stikeman Elliott LLP
9. HABITAT	500121	A: 1983-03-11	Domfoam Inc.	1986-08-22	Seal, Shaposnick
10. LURCELL HR	LMC203776	R: 1974-12-06	Domfoam International Inc.	2005-07-21	Stikeman Elliott LLP
11. Domfoam & design	LMC375563	R: 1980-11-09	Domfoam International Inc.	2006-07-06	Stikeman Elliott LLP
12. SUNRISE	LMC264104	R: 1984-11-06	Domfoam International Inc.	1987-07-08	Stikeman Elliott LLP
13. ALTO-CUMULUS	495426	A: 1982-11-26	Domfoam Inc.	1983-12-19	Seal, Shaposnick
14. CUMULUS	495425	A: 1982-11-26	Domfoam Inc.	1985-12-19	Seal, Shaposnick
15. EVERBOND	LMC184974	R: 1972-08-18	Domfoam Inc.	1987-10-02	Seal, Shaposnick
16. VISCOAIDE	3204369	A: 2004-01-22	Domfoam International Inc.	2005-02-14	N/A
17. FlexCel	3298594	A: 2003-12-07	Domfoam International Inc.	2005-03-08	Jim Spruille, A-Z Springs & Foam Products Ltd.
18. PINK PANTHER	LMC36776	R: 1979-10-19	Domfoam Inc.	1980-09-16	Seal, Shaposnick
19. GIRRUS	495423	A: 1982-11-26	Domfoam Inc.	1984-03-06	Seal, Shaposnick

## CANADIAN SEARCH OF TRADEMARKS: DOMFOAM

Trademark	Application number	Date	Name of the applicant	Status
SELEX	1518007	2011-05-07	Domfoam International Inc.	Notice of approval sent on 2011-10-31.

US REGISTERED TRADEMARK : DOMFOAM

Trademark	Serial number	Registration date	Name of the current owner or applicant	Expiry date	Name of the agent	Status
1 NORTHERN TREASURE	78508999	2005-12-13	Domfoam International Inc.	2015-12-13	Lawrence H. Meier	registered

US-CANCELLED TRADEMARK : DOMFOAM

Trademark	Serial number	date of application	Name of the current owner or applicant	date of cancellation or abandonment	Name of the agent
1 CUDDLE FOAM	78219889	2003-02-27	Domfoam International Inc.	2004-02-11	N/A
2 SECURI FOAM & DESIGN	75311611	1997-06-19	Domfoam International Inc.	2000-10-12	Jess M Collen

## Schedule 2.2

## Excluded Assets

- 
1. The Purchaser acknowledges and agrees that the following assets shall be considered excluded of the Transaction:
    - 1.1. The accounts payable, except as otherwise provided in this Agreement;
    - 1.2. The tax losses, except as otherwise provided in this Agreement;
    - 1.3. The cash on hand or on deposit with banks or other depositaries;
    - 1.4. The debts due to the Vendor from any shareholder, director, officer or employee of the Vendor or any other person who does not deal at arm's length with the Vendor;
    - 1.5. The following Equipment Operating Leases:
      - 1.5.1. Ryder - Lease No. 332467 - 1FUJA6CK97LY49529
      - 1.5.2. Ryder - Lease No. 332468 - 1FUJA6CK57LY49530
      - 1.5.3. Ryder - Lease No. 332469 - 1FUJA6CK77LY49531
      - 1.5.4. Ryder - Lease No. 329316 - 1FUJA6CK37LY49526
      - 1.5.5. Ryder - Lease No. 329317 - 1FUJA6CK57LY49527
      - 1.5.6. Ryder - Lease No. 329318 - 1FUJA6CK77LY49528
      - 1.5.7. Ryder - Lease No. 336256 - 1HTSCAAMXXH227668
      - 1.5.8. Ryder - Lease No. 336257 - 1FUJA6CK97LY61325
      - 1.5.9. Ryder - Lease No. 336256 - 1FUJA6CK77LY61324
      - 1.5.10. Ryder - Lease No. 325581 - 1FUJA6CK87LY49523
      - 1.5.11. Ryder - Lease No. 325582 - 1FUJA6CKX7LY49524
      - 1.5.12. Ryder - Lease No. 324854 - 1FUJA6CK47LY49521
      - 1.5.13. Ryder - Lease No. 324855 - 1FUJA6CK67LY49522
      - 1.5.14. Toshiba - Lease No. 344371-205533 - Main photocopier
      - 1.5.15. Toshiba - Lease No. 344371-205455 - Plant & Sales Photocopier
    - 1.6. The shares issued and outstanding of the capital of "VALLE FOAM INDUSTRIES (1995) INC." registered in the name of the Purchaser; and
    - 1.7. The shares issued and outstanding of the capital of "A-Z SPONGE & FOAM PRODUCTS LTD." registered in the name of the Purchaser.



Schedule 2.6

Assumed Obligations

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1. The obligation of the Vendor under the Contracts as of the Time of Closing; and
2. The obligation of the Vendor under the Customer Contracts as of the Time of Closing;

Schedule 2.9(A)  
Purchased Receivables

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Section 1

List of Purchased Receivables as of January 31, 2012.

*See document attached  
Total of four (4) pages*

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Section 2

Calculation of the Purchase Price attributed to the Purchased Receivables.

*See document attached  
Total of fourteen (14) pages.*

DOMFOAM INTERNATIONAL LIMITED

Aged Accounts Receivable as of 01-31-2012

Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
00157	704.58	704.58	-	-	-
00202	25,631.17	25,431.85	199.32	-	-
00291	5,362.49	1,032.48	3,320.06	1,009.95	-
00308	4,316.16	4,316.16	-	-	-
00316	1,952.01	1,736.65	215.36	-	-
10005	511,571.37	309,779.87	180,349.98	27,441.52	-
10020	128,444.89	128,444.89	-	-	-
10024	2,028.58	-	2,028.58	-	-
10052	7,668.75	6,949.67	719.08	-	-
10072	528,925.52	258,533.73	155,454.72	114,937.07	-
10080	41,326.70	41,326.70	-	-	-
10120	1,158.95	1,158.95	-	-	-
10136	17,679.48	17,679.48	-	-	-
10145	5,746.68	3,072.41	2,674.27	-	-
10222	1,004.61	1,004.61	-	-	-
10244	101,343.87	101,343.87	-	-	-
10273	16,318.86	13,356.08	2,962.78	-	-
10305	6,438.19	3,402.81	2,141.95	893.43	-
10331	2,254.11	2,254.11	-	-	-
10351	3,754.38	-	3,754.38	-	-
10358	29,970.58	11,583.52	10,024.90	8,412.16	-
10371	82,216.28	19,133.32	1,056.44	11,342.99	683.53
10378	7,105.73	1,598.57	1,859.97	-	3,647.19
10379	3,680.61	3,680.61	-	-	-
10384	45,107.85	27,771.01	16,306.37	1,030.47	-
10385	10,927.29	10,927.29	-	-	-
10387	7,615.54	-	1,173.56	410.29	6,031.69
10413	153,635.36	42,935.08	19,370.39	55,168.67	36,161.22
10426	3,529.98	3,529.98	-	-	-
10465	833.89	833.89	-	-	-
10494	32,749.54	32,749.54	-	-	-
10502	11,893.25	3,266.84	1,087.18	3,549.67	3,989.56
10509	1,729.11	1,729.11	-	-	-
10510	18,715.15	18,715.15	-	-	-
10521	2,826.31	2,826.31	-	-	-
10545	28,034.38	28,034.38	-	-	-
10547	15,568.17	5,498.67	10,069.50	-	-
10551	74,572.24	74,572.24	-	-	-
10570	6,278.42	6,278.42	-	-	-
10585	221,166.00	55,233.52	32,888.35	65,818.84	67,225.29
10595	344.24	344.24	-	-	-
10737	1,249.53	1,249.53	-	-	-

Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
10785	6,075.15	6,075.15	-	-	-
10848	3,937.95	-	1,580.27	2,357.68	-
10864	284.40	284.40	-	-	-
11049	9,484.28	6,739.35	2,745.13	-	-
11150	3,850.31	-	3,850.31	-	-
11155	2,515.92	2,515.92	-	-	-
11164	48,779.05	51,488.31	(2,709.26)	-	-
11177	89,437.38	30,746.66	25,400.93	24,863.69	8,426.10
11197	626.81	626.81	-	-	-
11209	29,097.79	29,097.79	-	-	-
11210	1,778.75	1,115.72	663.03	-	-
11268	36,681.28	36,681.28	-	-	-
11272	672.18	1,034.89	(362.71)	-	-
11276	15,524.84	-	15,524.84	-	-
11289	16,671.06	5,017.77	5,249.62	4,461.72	1,941.95
11399	80,315.23	6,706.11	9,359.14	7,755.01	56,494.97
11415	11,174.61	9,312.23	1,862.38	-	-
11421	15,293.31	905.43	8,702.70	5,685.18	-
11457	26,525.81	26,525.81	-	-	-
11558	3,646.51	3,121.23	525.28	-	-
11577	5,027.53	4,979.82	-	-	47.71
11580	442.19	442.19	-	-	-
11627	1.80	1.80	-	-	-
11665	387,973.57	136,756.63	112,323.23	117,018.61	19,875.10
11676	42,927.94	19,314.91	17,404.97	6,208.06	-
11682	254,229.37	253,895.10	-	334.27	-
11684	5,358.46	5,758.76	(400.30)	-	-
11714	8,989.08	8,716.63	353.56	-	(81.11)
11760	885.20	-	885.20	-	-
11779	10,301.45	10,301.45	-	-	-
11811	18,946.71	18,946.71	-	-	-
11828	4,191.55	4,191.55	-	-	-
11833	1,682.72	1,098.94	-	583.78	-
11844	5,903.05	5,903.05	-	-	-
11848	93,242.34	24,928.53	30,248.93	22,139.94	15,924.94
11859	6,694.80	6,694.80	-	-	-
11871	1,171.60	1,171.60	-	-	-
11914	36,917.36	23,905.21	9,420.51	3,591.64	-
11924	231,421.59	30,900.74	31,178.08	73,739.94	95,602.83
11927	42,533.30	25,496.59	17,036.71	-	-
11948	3,133.52	3,133.52	-	-	-
11974	(11.50)	(11.50)	-	-	-
11976	23,398.27	11,558.30	11,839.97	-	-
11979	29,254.14	27,397.56	1,856.58	-	-
11982	42,209.54	42,500.44	-	(290.90)	-

Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
12021	6,359.25	5,618.26	740.99	-	-
12101	965.55	-	965.55	-	-
12102	71,175.61	27,028.49	13,870.53	30,276.59	-
12104	40,670.61	20,573.97	20,181.29	(84.65)	-
12122	(32.80)	(32.80)	-	-	-
12140	17,913.60	17,913.60	-	-	-
12146	20,962.95	4,908.38	5,781.24	5,890.81	4,382.52
12158	17,823.38	17,823.38	-	-	-
12230	6,506.76	4,144.61	2,362.15	-	-
12242	9,119.76	8,420.15	699.61	-	-
12253	5,080.77	1,217.35	3,863.42	-	-
12256	17,887.78	17,887.78	-	-	-
12270	4,819.79	-	4,819.79	-	-
12277	2,346.65	1,225.63	747.35	373.67	-
12282	5,362.13	5,338.88	-	23.25	-
12290	2,002.76	2,002.76	-	-	-
12291	596.03	596.03	-	-	-
12296	29,232.85	384.08	15,929.32	10,493.91	2,425.54
12298	59,795.77	25,619.87	14,419.36	17,458.72	2,297.82
12301	13,668.05	9,923.90	3,744.15	-	-
12303	1,184.25	1,184.25	-	-	-
12308	12,344.90	12,344.90	-	-	-
12314	2,330.86	1,275.30	1,055.56	-	-
12326	916.76	524.35	392.41	-	-
12330	4,543.77	-	-	1,005.11	3,538.66
12331	23,556.06	7,529.09	6,507.75	8,366.47	1,152.75
12334	3,620.86	3,620.86	-	-	-
12341	1,179.80	1,179.80	-	-	-
12343	28,957.45	19,659.45	9,079.05	209.90	9.05
12353	1,131.12	1,131.12	-	-	-
12355	4,681.06	4,681.06	-	-	-
12357	11,881.35	1,573.48	-	2,016.81	8,291.06
12358	1,294.39	1,294.39	-	-	-
12367	9,722.17	9,722.17	-	-	-
12373	5.00	5.00	-	-	-
12380	1,454.04	1,454.04	-	-	-
12390	3,304.57	3,304.57	-	-	-
U11429	15,044.90	15,044.90	-	-	-
U11771	1,079,755.37	556,732.35	358,231.67	164,791.35	-
U12129	544,154.40	168,733.64	160,191.76	178,981.57	36,247.43
U12164	75,413.54	20,979.01	53,559.58	874.95	-
U12171	8,398.63	7,170.44	1,223.19	-	-
U12180	3,884.22	190.10	3,694.12	-	-
U12183	236.00	-	-	236.00	-
U12184	12,578.70	12,578.70	-	-	-

Customer No.	Balance Due	Current	31-60 Days	61-90 Days	Over 90 Days
U12187	12,428.10	12,428.10	-	-	-
U12188	17,757.90	17,757.90	-	-	-
Total	<u>5,996,691.62</u>	<u>3,208,741.60</u>	<u>1,434,256.08</u>	<u>979,378.14</u>	<u>374,315.80</u>

SCHEDULE 2.9(A)  
SECTION 2

Dated Jan 31, 2018

AGED ACCOUNTS RECEIVABLE  
DOMIFAM INTERNATIONAL INC.

NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
60 \$	25,000.00	704.98				704.98	
60 \$	25,000.00	25,431.95	199.92			25,631.87	
60 \$	15,000.00	1,092.48	9,320.06	1,009.95		11,422.49	
60 \$	7,000.00	4,316.15				4,316.15	
60 \$	825,000.00	1,795.95	215.36			2,011.31	
60 \$	350,000.00	128,444.89				128,444.89	
60 \$	30,000.00	6,949.57	9,026.38			15,975.95	
60 \$	30,000.00	250,533.73	719.08	114,337.07		365,570.88	
60 \$	725,000.00	41,326.70				41,326.70	
60 \$	25,000.00	1,158.95				1,158.95	
60 \$	50,000.00	17,878.48				17,878.48	
60 \$	25,000.00	3,072.41	2,674.27			5,746.68	
60 \$	175,000.00	1,004.51				1,004.51	
60 \$	175,000.00	101,343.87				101,343.87	
60 \$	40,000.00	18,356.09	2,969.78			21,325.87	
60 \$	5,000.00	8,402.81	2,141.95	895.49		11,440.25	
60 \$	30,000.00	2,254.11				2,254.11	
60 \$	5,000.00	11,533.52	3,754.38			15,287.90	
60 \$	10,000.00	1,898.67	10,024.90	8,412.16		20,335.73	
60 \$	50,000.00	3,590.61	1,858.97		3,847.19	8,296.75	
60 \$	75,000.00	27,771.01				27,771.01	
60 \$	75,000.00	30,927.29		1,030.47		31,957.76	
60 \$	35,000.00	3,529.98				3,529.98	
60 \$	8,000.00	893.69				893.69	
60 \$	50,000.00	92,749.54				92,749.54	
60 \$	50,000.00	3,266.84				3,266.84	
60 \$	15,000.00	1,729.13				1,729.13	
60 \$	50,000.00	18,715.15				18,715.15	
60 \$	15,000.00	2,829.31				2,829.31	
60 \$	60,000.00	28,034.88				28,034.88	
60 \$	35,000.00	5,499.67				5,499.67	
60 \$	20,000.00	8,278.42				8,278.42	
60 \$	8,000.00	344.24				344.24	
60 \$	5,000.00	1,249.53				1,249.53	
60 \$	50,000.00	6,075.15				6,075.15	
60 \$	35,000.00	6,075.15				6,075.15	
60 \$	4,000.00	284.40				284.40	
60 \$	40,000.00	6,739.35				6,739.35	
60 \$	15,000.00	2,815.52				2,815.52	
60 \$	27,000.00	2,815.52				2,815.52	
60 \$	100,000.00	29,097.79				29,097.79	
60 \$	85,000.00	1,115.72				1,115.72	
60 \$	25,000.00	36,681.28				36,681.28	
60 \$	25,000.00	1,034.64				1,034.64	
60 \$	50,000.00	5,017.77				5,017.77	
60 \$	30,000.00	8,912.23				8,912.23	
60 \$	75,000.00	25,525.81				25,525.81	
60 \$	10,000.00	3,121.25				3,121.25	
60 \$	35,000.00	4,974.82				4,974.82	
60 \$	20,000.00	442.18				442.18	
					1,947.95		
					4,771		

(1)

AGED ACCOUNTS RECEIVABLE  
DOMFRAN INTERNATIONAL INC.

Dated Jan 31, 2012.

11927 PRO TAG INDUSTRIES INC.	60	\$	3,000.00	180	\$	17,404.97	\$	9,208.06	\$	42,927.94
11876 LITERIE DORMATEX INC.	60	\$	50,000.00	19,314.91	\$	(400.30)	\$	-	\$	5,558.46
11684 FOUISTAR CANADA INC	15	\$	10,000.00	5,758.76	\$	353.56	\$	-	\$	8,889.08
11714 TRICA	60	\$	75,000.00	8,716.63	\$	895.20	\$	(61.11)	\$	885.20
11760 VERANDA JARDIN INC	60	\$	2,000.00	2,000.00	\$	-	\$	-	\$	10,801.45
11779 MANUFACTURE DE MATELAS	31	\$	30,000.00	10,801.45	\$	-	\$	-	\$	18,946.71
11811 BROLAIN DISTRIBUTORS LTD.	31	\$	125,000.00	18,946.71	\$	-	\$	-	\$	4,191.55
11828 COMFORT FOAM & FIBRE	45	\$	50,000.00	4,191.55	\$	-	\$	-	\$	1,882.72
11888 MATELARGSELECT	60	\$	25,000.00	1,996.94	\$	-	\$	563.78	\$	5,303.05
11844 PEL INTERNATIONAL LTEE	30	\$	100,000.00	24,928.63	\$	30,248.93	\$	22,439.84	\$	5,664.80
11858 WESTBORO FLOORING INC	31	\$	35,000.00	5,884.80	\$	-	\$	-	\$	4,171.60
11871 MILLENAIRE WILLIAM INC.	30	\$	30,000.00	1,171.60	\$	-	\$	-	\$	36,317.35
11914 EXOEL RSYC MOUSSE FOAM I	60	\$	30,000.00	23,905.21	\$	9,420.51	\$	3,591.84	\$	42,553.30
11957 MEUBLES BELISLE INC.	60	\$	95,000.00	25,486.68	\$	17,036.71	\$	-	\$	5,133.52
11948 MEUBLES TOMALING.	30	\$	10,000.00	3,133.52	\$	-	\$	-	\$	23,396.27
11974 SYLITEC INC.	30	\$	7,000.00	(1,150)	\$	11,839.37	\$	-	\$	29,254.14
11976 MATELAS ORTHOPEDIQUE	60	\$	50,000.00	11,539.37	\$	-	\$	-	\$	42,208.54
11979 BELPRO MEDICAL INC	30	\$	35,000.00	27,397.56	\$	1,858.56	\$	(280.80)	\$	6,359.23
11982 DIAMOND DIVERSIFIED IND. I	30	\$	75,000.00	42,500.44	\$	-	\$	-	\$	40,970.61
12021 SEARS CANADA INC.	60	\$	45,000.00	5,618.25	\$	7,409.95	\$	-	\$	16,559.23
12101 CRE-Q-PACK INTERNATIONAL	60	\$	15,000.00	20,379.37	\$	20,181.29	\$	(64.65)	\$	17,918.60
12104 AD MATS CORPORATION	75	\$	65,000.00	(22.80)	\$	-	\$	-	\$	20,252.95
12122 ATLANTIC FABRICS LIMITED	75	\$	40,000.00	17,918.60	\$	-	\$	-	\$	17,918.60
12140 DOWNEAST PLASTICS LTD.	60	\$	20,000.00	4,908.38	\$	5,781.24	\$	5,880.81	\$	20,252.95
12196 MATELAS BEAUREVE INC	60	\$	20,000.00	17,323.38	\$	-	\$	-	\$	17,029.38
12150 REMBOURRAGE J A MARTINE	60	\$	175,000.00	4,144.61	\$	2,362.15	\$	-	\$	48,508.76
12158 BARRY SUPPLIES & FABRIC	75	\$	40,000.00	8,420.16	\$	699.61	\$	-	\$	9,119.76
12230 WESCO MA INC.	60	\$	175,000.00	1,217.35	\$	3,869.42	\$	-	\$	5,080.77
12242 SPORT SYSTEMS-CANADA IN	30	\$	30,000.00	17,887.78	\$	-	\$	-	\$	4,618.79
12253 BEAULIEU CANADA	30	\$	30,000.00	1,225.63	\$	4,819.79	\$	-	\$	2,046.89
12256 TEC INNOVATIONS	30	\$	7,800.00	2,002.76	\$	747.95	\$	23.25	\$	5,362.19
12270 COUTURE CARYLE INC, CWI	75	\$	15,000.00	595.03	\$	-	\$	-	\$	2,002.75
12277 DOMINION CUTTING SERVICE	45	\$	20,000.00	284.09	\$	15,929.32	\$	10,495.91	\$	25,239.65
12282 VIOLENE 2008 INC.	30	\$	5,000.00	2,002.76	\$	14,419.36	\$	17,456.72	\$	59,795.77
12280 LOGIFLEX-MOB DE BUREAU	30	\$	5,000.00	595.03	\$	-	\$	-	\$	1,184.25
12291 PAKTEK INC.	30	\$	25,000.00	12,344.30	\$	-	\$	-	\$	2,330.55
12289 PAVAR FURNITURE INC.	60	\$	60,000.00	1,272.50	\$	1,055.56	\$	-	\$	916.76
12299 G. ROMANO INC.	75	\$	60,000.00	524.95	\$	392.41	\$	-	\$	4,549.77
12300 WIES INDUSTRIES INC.	60	\$	7,500.00	7,529.98	\$	5,507.75	\$	1,005.11	\$	26,556.06
12308 PYRAMEDIC INC.(W)	60	\$	25,000.00	3,820.86	\$	-	\$	-	\$	3,620.86
12314 GROUPE SIM PELLETER	60	\$	60,000.00	1,179.80	\$	9,079.05	\$	209.90	\$	1,179.80
12330 HARWELL EMBALLAGE W NL	60	\$	75,000.00	19,669.45	\$	-	\$	-	\$	26,957.45
12331 ORTHEX CANADA ENR W	60	\$	40,000.00	1,131.12	\$	-	\$	-	\$	1,331.12
12334 SHOLA INC	60	\$	15,000.00	4,681.08	\$	-	\$	-	\$	4,681.08
12341 REVOLUTION SANTE 5199445	30	\$	75,000.00	1,573.48	\$	-	\$	-	\$	1,881.25
12353 EQUIPMENT SANITAIRE CHER	60	\$	10,000.00	8,723.17	\$	-	\$	-	\$	1,294.39
12355 ADI ART DESIGN INTERNATIO	60	\$	30,000.00	5.00	\$	-	\$	-	\$	1,294.39
12357 VALENTINO INC W	60	\$	20,000.00	1,454.04	\$	-	\$	-	\$	9,722.17
12398 LINEA P INTERNATIONAL INC.	30	\$	10,000.00	3,304.67	\$	-	\$	-	\$	1,454.04
12367 CONFORT EXCELPLEX INC	45	\$	15,000.00	5.00	\$	-	\$	-	\$	5.00
12378 FPD FOAM SOLUTION INC.	60	\$	10,000.00	-	\$	-	\$	-	\$	1,254.39
12380 DISTRIBUTION SECURI-SPOR	45	\$	15,000.00	-	\$	-	\$	-	\$	5.00
12390 CONQUEST CABINET CORP.	45	\$	-	-	\$	-	\$	-	\$	3,304.67

\$ 6,790,500.00 \$ 1,351,123.06 \$ 480,647.54 \$ 2,146,336.67 \$ 47,557.84 \$ 2,033,974.91

2



AGED ACCOUNTS RECEIVABLE  
POMPOAM INTERNATIONAL INC.

Date: Jan 31, 2012

10005 ELRAN	15 \$	500 000.00 \$	203 779.87 \$	180 349.96 \$	27 441.92 \$	689.55 \$	511 571.97 \$	350 000.00
10871 SYLCO INC.	75 \$	55 000.00 \$	19 183.82 \$	1 058.74 \$	14 342.89 \$	6 091.69 \$	32 216.28 \$	50 000.00
10387 LITERIE DRUMMOND LITEE	30 \$	300 000.00 \$	74 572.24 \$	1 179.56 \$	410.29 \$		7 615.84 \$	14 000.00
10551 GESCO LTD PARTNERSHIP	60 \$	175 000.00 \$	51 488.31 \$	(2 709.28) \$			74 572.24 \$	20 000.00
11184 D & B FOAM	75 \$	150 000.00 \$	5 706.11 \$	9 359.14 \$	7 755.01 \$	50 494.97 \$	40 779.05 \$	75 000.00
11388 SIEGES DU CHARMES INTERNA	90 \$	38 000.00 \$	405.04 \$	5 702.70 \$	8 685.18 \$		8 215.23 \$	75 000.00
11421 LES MEUBLES VANTAGE 1000	75 \$	200 000.00 \$	30 800.74 \$	51 178.08 \$	78 759.94 \$	95 602.83 \$	16 293.81 \$	25 000.00
11924 MATELAS D'OR 9053-8884 OC	45 \$	25 000.00 \$	9 923.20 \$	3 744.15 \$			231 421.58 \$	200 000.00
12301 L. DAVIS TEXTILES (1991) INC							13 668.05 \$	35 000.00
<b>SUB TOTAL CDN Insured</b>		\$ 1 773 000.00	\$ 497 409.92	\$ 232 854.79	\$ 126 374.93	\$ 156 813.02	\$ 1 015 452.86	\$ 344 000.00
10413 MATELAS MARTIN	90 \$	375 000.00 \$	42 535.05 \$	19 370.38 \$	55 188.87 \$	36 161.22 \$	159 635.36 \$	80 000.00
10585 SUBAR	90 \$	325 000.00 \$	55 233.52 \$	32 388.35 \$	55 818.84 \$	57 225.28 \$	221 166.00 \$	75 000.00
11177 TISSUS MORICO INC.	90 \$	150 000.00 \$	30 746.86 \$	25 400.93 \$	24 863.89 \$	19 426.10 \$	89 437.98 \$	100 000.00
11565 BOZANJO INC.	90 \$	400 000.00 \$	138 755.63 \$	112 923.23 \$	117 018.61 \$	19 875.70 \$	287 973.87 \$	75 000.00
<b>SUB TOTAL CDN Insured Net 90</b>		\$ 1 250 000.00	\$ 267 371.69	\$ 189 982.90	\$ 262 569.81	\$ 131 667.71	\$ 652 212.31	\$ 280 000.00
<b>SUB TOTAL GANNA COUNT</b>								
<b>TOTAL GROSS</b>		\$ 2 116 202.87	\$ 843 463.23	\$ 603 869.41	\$ 938 068.37	\$ 3 901 699.88		
<b>TOTAL OFFER</b>								
<b>SUB TOTAL CPN</b>		\$ 810 872.64	\$ 252 988.82	\$ 128 783.20	\$ 9 513.53	\$ 1 201 357.89		
<b>SUB TOTAL CPN Insured</b>		\$ 298 449.95	\$ 139 712.87	\$ 76 824.55	\$ 95 237.81	\$ 609 271.60		
<b>SUB TOTAL CPN Insured Net 90</b>		\$ 180 608.13	\$ 113 989.74	\$ 167 721.89	\$ 79 012.63	\$ 511 327.99		
<b>SUB TOTAL GANNA COUNT</b>								
<b>TOTAL OFFER</b>		\$ 1 258 721.72	\$ 505 091.14	\$ 362 330.05	\$ 183 813.97	\$ 2 321 955.87		
11682 VALLE FOAM INDUSTRIES INC	46 \$	1 750 000.00 \$	253 895.10 \$		334.27 \$		254 229.37 \$	
12102 AZ SPONGE & FOAM	80 \$	125 000.00 \$	27 028.49 \$	13 870.53 \$	30 276.59 \$		71 175.61 \$	

3

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AGED ACCOUNTS RECEIVABLE  
DOMFAM INTERNATIONAL INC.

Date: Jan 31, 2012

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
USD							
U11771 JERFICO FIBRES INC.	45 \$	2,030,825.00 \$	566,792.95 \$	358,231.67 \$	164,791.95 \$	- \$	1,079,756.57 \$
U12164 OTIS BED MANUFACTURING C	60 \$	408,085.00 \$	20,979.01 \$	59,559.59 \$	874.96 \$	- \$	75,413.54 \$
U12171 FRANKLIN AUGUST TRADING	30 \$	7,089.00 \$	7,170.44 \$	1,223.79 \$	- \$	- \$	8,394.23 \$
U12189 FOAM FACTORY INC.	60 \$	9,862.00 \$	- \$	236.00 \$	- \$	- \$	236.00 \$
U12184 GREAT NORTHERN ASSOCIAT	60 \$	59,172.00 \$	12,578.70 \$	- \$	- \$	- \$	12,578.70 \$
U12187 QUINN DISTRIBUTORS	60 \$	49,610.00 \$	12,428.10 \$	- \$	- \$	- \$	12,428.10 \$
U12188 KRAUS USA INC.	45 \$	73,564.00 \$	17,757.90 \$	- \$	- \$	- \$	17,757.90 \$
U12190 LATEX INTERNATIONAL	60 \$	10,000.00 \$	190.10 \$	3,694.12 \$	- \$	- \$	3,884.22 \$
SUB-TOTAL USD		\$ 2,645,767.00 \$	\$ 627,856.50 \$	\$ 416,708.56 \$	\$ 165,902.30 \$	- \$	\$ 1,210,447.46 \$

U11429 NRP DISTRIBUTORS INC.	30 \$	255,410.00 \$	15,044.90 \$	- \$	- \$	- \$	15,044.90 \$
SUB-TOTAL USD Insured		\$ 255,410.00 \$	\$ 15,044.90 \$	- \$	- \$	- \$	\$ 15,044.90 \$
U12129 WGV INC.	90 \$	1,380,671.00 \$	189,735.84 \$	160,191.76 \$	179,561.57 \$	36,247.43 \$	544,154.40 \$
SUB-TOTAL USD Insured Net 90		\$ 1,380,671.00 \$	\$ 189,735.84 \$	\$ 160,191.76 \$	\$ 179,561.57 \$	\$ 36,247.43 \$	\$ 544,154.40 \$

NAME	TOTAL GROSS	TOTAL OFFER	SUB-TOTAL USD	SUB-TOTAL USD Insured	SUB-TOTAL USD Insured	SUB-TOTAL GAIN/LOSS	TOTAL OFFER
U11429 NRP DISTRIBUTORS INC.	\$ 611,615.14 \$	\$ 576,900.32 \$	\$ 344,883.87 \$	\$ 36,247.43 \$	\$ 1,769,646.76 \$		\$ 1,769,646.76 \$
U12129 WGV INC.	\$ 219,742.81 \$	\$ 145,848.00 \$	\$ 58,065.81 \$	\$ 36,247.43 \$	\$ 423,656.61 \$		\$ 423,656.61 \$
SUB-TOTAL USD	\$ 831,357.95 \$	\$ 722,748.32 \$	\$ 402,949.68 \$	\$ 72,494.86 \$	\$ 2,193,303.37 \$		\$ 2,193,303.37 \$
SUB-TOTAL GAIN/LOSS							
TOTAL GROSS	\$ 831,357.95 \$	\$ 722,748.32 \$	\$ 402,949.68 \$	\$ 72,494.86 \$	\$ 2,193,303.37 \$		\$ 2,193,303.37 \$
TOTAL OFFER							
SUB-TOTAL USD							
SUB-TOTAL USD Insured							
SUB-TOTAL USD Insured							
SUB-TOTAL GAIN/LOSS							
TOTAL OFFER							

USD CONVERTED TO CDN  
EXCHANGE RATE JUNE 30, 2012  
TOTAL CDN GROSS  
TOTAL CDN OFFER

\$ 1,284,055.30 \$	\$ 201,915.11 \$	\$ 120,709.35 \$	\$ 12,686.60 \$	\$ 619,376.27 \$
\$ 811,615.14 \$	\$ 576,900.32 \$	\$ 344,883.87 \$	\$ 36,247.43 \$	\$ 1,769,646.76 \$
\$ 619,376.27 \$	\$ 36,247.43 \$	\$ 1,769,646.76 \$	\$ 619,376.27 \$	\$ 619,376.27 \$

(4)

Rebates

AGED ACCOUNTS RECEIVABLE -  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

CON	NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
157	VENIREZ PRODUITS	60 \$	25,000.00					(14,508.00)	
202	BUGATTI DESIGN INC	60 \$	25,000.00	(14,608.68)	(199.32)				
281	DINE ART INC.	60 \$	15,000.00						
308	POSITECH INNOVATION INC.	30 \$	7,000.00						
318	LIND FURNITURE (CANADA) LT	60 \$	825,000.00	(24,868.09)				(24,868.09)	
10029	LRG CANADA INC.	60 \$	350,000.00						
10024	AIRWAY SURGICAL APPLICAN	60 \$	5,000.00						
10052	ALPHAVIC INC.	60 \$	30,000.00						
10072	KRAVIS CANADA INC.(HO)	45 \$	975,000.00		(12,802.92)	(14,937.07)		(127,739.99)	
10080	QUALITY BUGS OF CANADA LI	90 \$	725,000.00						
10120	BEAVER CARRET LTEE.	30 \$	25,000.00	(1,158.95)				(1,158.95)	
10136	BOBLEN INC.	30 \$	50,000.00						
10145	MATELAS BOURCKE ENRG.	30 \$	25,000.00						
10222	MATELAS CONDOR ENRG.	30 \$	175,000.00						
10244	MATELAS DAUPHIN INC.	60 \$	40,000.00			162.68		162.68	
10273	DOUBLETEX INC.	60 \$	40,000.00						
10305	BENNET FLEET (QUEBEC) IN	60 \$	5,000.00						
10331	MATELAS THERAPEPIC	60 \$	90,000.00						
10341	IDEALCHEST INC.	60 \$	90,000.00						
10358	COURT I SPORTS INC	45 \$	10,000.00						
10378	LITERIE LAVAL	60 \$	50,000.00	(1,403.14)		(1,554.44)		(1,554.44)	
10379	MATELAS LAVIOLLETTE INC.	60 \$	50,000.00						
10384	TEXTILES LETOURNEAU	45 \$	75,000.00		(6,108.81)	(1,030.47)		(7,139.28)	
10385	MATELAS LION D'OR INC.	30 \$	75,000.00						
10425	CANADEL	20 \$	35,000.00						
10465	COUPONS PARENT INC.	60 \$	8,000.00						
10494	REMBOURRAGE A.N.P.	60 \$	50,000.00						
10502	LITERIE PROVINCIALE LTEE	60 \$	50,000.00						
10509	AMEUBLEMENT RENAISSANG	60 \$	15,000.00						
10510	MATELAS RENE INC.	60 \$	50,000.00						
10521	REMB LOUIS ROUSSEAU INC.	60 \$	15,000.00	(4,801.00)				(4,801.00)	
10545	SEAWAY PLASTICS LTEE	60 \$	60,000.00						
10547	SERV. CORR. DU CANADA	60 \$	35,000.00						
10570	SPORT MASKA INC.	90 \$	20,000.00	(6,193.47)				(6,193.47)	
10595	TRANS-CANADA INDUSTRIES	60 \$	6,000.00						
10737	FUTON 7TH HEAVEN UTOPIA I	15 \$	5,000.00						
10765	GROUPE GIBO INC.	60 \$	50,000.00						
10848	PRINCESSE	60 \$	45,000.00						
10884	2 D TEXTILES ENRG.	60 \$	4,000.00						
11049	LITERIE SEDUCTION INC	30 \$	40,000.00						
11150	PROFOM INC.	60 \$	27,000.00						
11155	JARDIN DE VILLE INC.	60 \$	15,000.00						
11197	MSGM INC.	20 \$	2,000.00	(2,615.92)				(2,615.92)	
11209	HEMI CARRIER INC.	45 \$	100,000.00						
11210	PROQUAI INC.	60 \$	25,000.00	(16,269.76)				(16,269.76)	
11268	ROUILLARD INC.	60 \$	25,000.00	(5,184.22)				(5,184.22)	
11272	INTER-COMFORT	60 \$	25,000.00						
11276	STERSBROUJ LIMITED	30 \$	50,000.00						
11289	MATELAS SIESTA	75 \$	35,000.00						
11415	ROCKLAND TEXTILES INC.	60 \$	30,000.00						
11457	MATELAS PRESTIGE	15 \$	75,000.00						
11558	QUATRO TECHNOLOGIES INC.	45 \$	10,000.00						
11577	ARTOPEX PLUS INC.	30 \$	35,000.00						
11590	FUTON DESIGN.	60 \$	20,000.00						
				(18,380.08)	(15,524.84)	(14,461.72)	(1,941.95)	(19,380.08)	

5

Paid, Jan 31, 2012.

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Account Number	Company Name	Post dated	CHI	60	75	90	120	150	180	210	240	270	300	Total
11627	PRO TAÇ INDUSTRIES INC.			60	\$	3,000.00								
11676	LITERIE DORMATEX INC.			60	\$	50,000.00								
11684	FUJISATA CANADA INC.			60	\$	10,000.00								
11714	TRICA			60	\$	75,000.00								
11760	VERANDA JARDIN INC.			60	\$	2,000.00								
11779	MANUFACTURE DE MATELAS			60	\$	30,000.00								
11811	BROLAIN DISTRIBUTORS LTD.			60	\$	125,000.00								
11828	COMFORT FOAM & RIBRE			60	\$	50,000.00								
11888	MATELAS SELECT			60	\$	25,000.00								
11844	PEL INTERNATIONAL LTEE			60	\$	48,000.00								
11848	INDUSPRAC INC.			60	\$	100,000.00								
11858	WESTBORO FLOORING INC.			60	\$	35,000.00								
11871	MILLENNAIRE WILLIAM INC.			60	\$	30,000.00								
11914	EXCEL RISVE MOUSSE FOAM I			60	\$	35,000.00								
11927	MEUBLES BELSIE INC.			60	\$	10,000.00								
11948	MEUBLES TOMALI INC.			60	\$	7,000.00								
11974	STYLTEC INC.			60	\$	50,000.00								
11976	MATELAS ORTHOPEDIQUE			60	\$	35,000.00								
11978	BELPRO MEDICAL INC			60	\$	95,000.00								
11982	DIAMOND DIVERSIFIED INC. 14			60	\$	75,000.00								
12021	SEAFS CANADA INC.			60	\$	45,000.00								
12101	ORE O PAK INTERNATIONAL			60	\$	15,000.00								
12104	AD MATS CORPORATION			75	\$	55,000.00								
12122	ATLANTIC FABRICS LIMITED			75	\$	48,000.00								
12140	DOWNEAST PLASTICS LTD.			60	\$	20,000.00								
12146	MATELAS BEAU REVE INC.			60	\$	20,000.00								
12150	REMBOURRAGE J.MARTINE			60	\$	50,000.00								
12168	BARRY SUPPLIES & FABRIC I			75	\$	175,000.00								
12230	WESCO NA INC.			60	\$	40,000.00								
12242	SPORT SYSTEMS CANADA IN			60	\$	10,000.00								
12253	BEAUCHEU CANADA			60	\$	175,000.00								
12256	TEG INNOVATIONS			60	\$	30,000.00								
12270	COUTURE GARLYLE INC. DW			75	\$	7,500.00								
12277	DOMINION CUTTING SERVICE			45	\$	50,000.00								
12282	VICLINE 2006 INC.			45	\$	15,000.00								
12289	LOGIFLEX MOB DE BUREAU			30	\$	30,000.00								
12281	PAKTEK INC.			30	\$	5,000.00								
12236	PAVAR FURNITURE INC.			60	\$	25,000.00								
12298	S. ROMANO INC.			75	\$	60,000.00								
12303	WES INDUSTRIES INC.			30	\$	5,000.00								
12308	PIFA MEDIC INC. IW			60	\$	6,000.00								
12314	GRUPE SM PELLETIER			60	\$	20,000.00								
12326	HARWELL EMBALLAGE WNL			60	\$	10,000.00								
12330	CREATECH INC 90890744 QUE			60	\$	7,500.00								
12331	ORTHEX CANADA ENR W			60	\$	25,000.00								
12334	SHOLA INC.			60	\$	15,000.00								
12341	REVOLUTION SANTE 9198445			30	\$	5,000.00								
12343	LA MARBRY			60	\$	75,000.00								
12353	EQUIPMENT SANITAIRE CHER			60	\$	10,000.00								
12355	ADART DESIGN INTERNATIO			60	\$	30,000.00								
12357	VALENTINO INC W			60	\$	20,000.00								
12358	LINEA P INTERNATIONAL INC.			60	\$	10,000.00								
12367	CONFORT EXCELEX INC			60	\$	10,000.00								
12373	PPD FOAM SOLUTION INC.			45	\$	10,000.00								
12380	DISTRIBUTION SECURI-SPOR			45	\$	15,000.00								
12390	CONQUEST CARPET CORP.													

SUB TOTAL CDN

\$ 6,780,500.00 \$ (115,289.52) \$ (60,230.39) \$ (122,356.27) \$ (1,341.95) \$ (289,820.79)

6



Dated January 2012

AGED ACCOUNTS RECEIVABLE  
POMFOM INTERNATIONAL INC.

Rebates

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
USD							
U11771 JEFFGO FIGURES INC	45 \$	2,090,325.00	\$	(280,018.00)	\$(164,791.35)		(444,809.35)
U12164 OTIS BED. MANUFACTURING C	60 \$	408,065.00					
U12170 FRANKLIN AUGUST TRADING	30 \$	7,089.00					
U12183 FOAM FACTORY INC.	60 \$	9,882.00					
U12184 GREAT NORTHERN ASSOCIAT	80 \$	59,172.00					
U12187 QUINN DISTRIBUTORS	30 \$	49,310.00					
U12188 KEAUS USA INC.	45 \$	72,984.00					
U12189 LATEX INTERNATIONAL	30 \$	10,000.00					
<b>SUB TOTAL USD</b>		<b>\$ 2,645,767.00</b>	<b>\$</b>	<b>(280,018.00)</b>	<b>\$(164,791.35)</b>	<b>\$</b>	<b>(444,809.35)</b>
U11428 NRE DISTRIBUTORS INC.	30 \$	258,410.00	\$(826.04)				\$(826.04)
<b>SUB TOTAL USD Insured Net 30</b>		<b>\$ 258,410.00</b>	<b>\$(826.04)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$(826.04)</b>
U12125 WOV INC.	60 \$	1,860,671.00					
<b>SUB TOTAL USD Insured Net 30</b>		<b>\$ 1,860,671.00</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 150,000.00</b>
<b>SUB TOTAL GAINNA COUNT</b>							<b>\$ 150,000.00</b>
<b>TOTAL GROSS</b>							<b>\$(448,435.39)</b>
<b>TOTAL OFFER</b>							
<b>SUB TOTAL USD</b>							<b>\$(156,833.27)</b>
<b>SUB TOTAL USD Insured</b>							<b>(1,269.11)</b>
<b>SUB TOTAL USD Insured</b>							
<b>SUB TOTAL GAINNA COUNT</b>							<b>10%</b>
<b>TOTAL OFFER</b>							<b>(158,952.39)</b>

USD CONVERTED TO CDN  
EXCHANGE RATE JAN 31, 2012  
TOTAL CDN GROSS: (448,435.39)  
TOTAL CDN OFFER: (158,952.39)

AGED ACCOUNTS RECEIVABLE  
DOMIFORM INTERNATIONAL INC.

Dated: Jan 31, 2012

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL	Insurance
1001 VEN REZ PRODUITS	60	25,000.00	704.58				704.58	
202 BUGATTI DESIGN INC	60	25,000.00	10,823.17				10,823.17	
284 DINE ART INC	60	15,000.00	1,032.46	3,320.05	1,008.95		5,362.49	
308 POSITECH INNOVATION INC	30	7,000.00	4,316.16				4,316.16	
316 LIND FURNITURE (CANADA) LT	60	825,000.00	1,736.66	215.36			1,952.01	
10020 LBO CANADA INC	60	350,000.00	103,576.81				103,576.81	
10024 AIRWAY SURGICAL APPLICAN	60	5,000.00	5,945.67				2,028.58	
10052 ALPHAVIC INC	60	30,000.00	258,533.73	142,651.80			7,688.75	
10072 KRAUS CANADA INC (HO)	45	375,000.00	17,879.48				401,185.53	
10080 QUALITY FRUGS OF CANADA LI	30	725,000.00	41,326.70				41,326.70	
10120 BEAVER-CARPET LITEE	30	50,000.00	17,879.48				17,879.48	
10166 BOBLEN INC	60	25,000.00	3,072.41				5,746.68	
10145 MATELAS BOURCK ENRG.	30	175,000.00	1,004.61				1,004.61	
10224 MATELAS DAUPHIN INC.	30	175,000.00	101,343.87				101,343.87	
10278 DOUBLET EX INC.	60	40,000.00	13,356.08				18,918.85	
10309 BENNETT ELBET (QUEBEC) IN	60	40,000.00	3,482.81				5,603.88	
10331 MATELAS THERAPEPIC	60	5,000.00	2,254.11				2,254.11	
10358 IDEALCHEST INC.	60	5,000.00	11,536.52				13,754.98	
10358 COURT 1 SPORTS INC	45	10,000.00	1,586.57				28,416.14	
10378 LITERIE LAVAL	45	50,000.00	2,277.47				2,277.47	
10379 MATELAS LAVIOLETTE INC.	45	75,500.00	27,771.01				37,968.57	
10384 TEXTILES LETOURNEAU	30	75,000.00	10,927.29				10,927.29	
10385 MATELAS LONDOR INC.	20	35,000.00	3,529.98				3,529.98	
10426 CANADEL	60	6,000.00	833.89				833.89	
10465 COUPOONS PARENT INC.	60	50,000.00	32,749.64				32,749.64	
10494 REMBOURRAGE A.N.P.	60	50,000.00	9,265.84				11,993.25	
10502 LITERIE PROVINCIALE LITEE	60	15,000.00	1,229.11				1,229.11	
10509 AMEUBLEMENT RENAISSANC	30	50,000.00	14,114.15				14,114.15	
10510 MATELAS REINE INC.	60	15,000.00	2,826.31				2,826.31	
10521 REMB LOUIS ROUSSEAU INC.	60	60,000.00	21,840.91				21,840.91	
10545 SEAWAY PLASTICS LITEE	60	35,000.00	15,498.87				15,498.87	
10547 SERV. CORR. DU CANADA	90	20,000.00	6,278.42				6,278.42	
10570 SPORT MASKA INC.	90	6,000.00	844.24				844.24	
10585 TRANS-CANADA INDUSTRIES	15	5,000.00	1,249.53				1,249.53	
10737 FUTON 7TH HEAVEN UTOPIA	60	50,000.00	16,076.15				16,076.15	
10785 GROUPE GIRO INC.	60	45,000.00	284.40				284.40	
10846 PRINCESSE	60	45,000.00	67,981.35				67,981.35	
10864 2 D TEXTILES ENRG.	60	40,000.00	683.03				683.03	
11049 LITERIE SEDUCTION INC.	60	40,000.00	1,151.72				1,151.72	
11150 PROFOM INC.	60	15,000.00	1,034.69				1,034.69	
11155 JARDIN DE VILLE INC.	20	2,000.00	501.77				501.77	
11157 MSCM INC.	45	100,000.00	12,628.03				12,628.03	
11209 REALGARRIER INC.	60	25,000.00	31,487.05				31,487.05	
11210 PROQUAI INC.	60	25,000.00	1,034.69				1,034.69	
11272 INTERCONFORT	60	25,000.00	5,017.77				5,017.77	
11276 STEERS GROUP LIMITED	30	35,000.00	9,312.23				9,312.23	
11288 MATELAS SIESTA	75	30,000.00	13,145.75				13,145.75	
11415 ROCKLAND TEXTILES INC.	60	75,000.00	3,121.23				3,121.23	
11467 MATELAS PRESTIGE	15	10,000.00	4,979.82				4,979.82	
11558 QUATRO TECHNOLOGIES INC.	60	35,000.00	442.19				442.19	
11577 ARTOPEX PLUS INC.	60	20,000.00						
11580 FUTON DESIGN	60							

(9)

AGED ACCOUNTS RECEIVABLE  
DOMEQAM INTERNATIONAL INC.

11827 PRO-TAC INDUSTRIES INC.	\$	1,90	\$	18,314.91	\$	17,404.97	\$	6,208.08	\$	1.80	\$	42,927.94
11876 LITERIE DORMATEX INC.	\$	50,000.00	\$	5,759.75	\$	(409,200)	\$		\$		\$	5,338.46
11884 FUJISAN CANADA INC.	\$	70,000.00	\$	8,716.63	\$	389,556	\$		\$	(81,171)	\$	8,999.08
11714 TRICA	\$	2,000.00	\$		\$	389,520	\$		\$		\$	885.20
11760 VERANDA JARDIN INC.	\$	30,000.00	\$	10,304.45	\$		\$		\$		\$	10,304.45
11779 MANUFACTURE DE MATELAS	\$	125,000.00	\$	18,946.71	\$		\$		\$		\$	18,946.71
11811 SHOLAIN DISTRIBUTORS LTD.	\$	50,000.00	\$	4,191.55	\$		\$		\$		\$	4,191.55
11828 COMFORT FOAM & FIBRE	\$	25,000.00	\$	1,088.94	\$		\$		\$		\$	1,088.94
11833 MATELAS SELECT	\$	45,000.00	\$		\$		\$	589.76	\$		\$	
11844 PEL INTERNATIONAL LITEE	\$	109,000.00	\$	24,528.53	\$	90,248.83	\$	22,159.34	\$	15,924.94	\$	93,242.34
11848 INDUSPAG INC.	\$	35,000.00	\$	5,694.80	\$		\$		\$		\$	6,694.80
11859 WESTROF FLOORING INC	\$	30,000.00	\$	1,171.60	\$		\$		\$		\$	1,171.60
11877 MILLENAIRE WILLIAM INC.	\$	60,000.00	\$	28,909.21	\$	9,420.51	\$	3,591.54	\$		\$	36,917.36
11914 EXCEL RV/C/MOUSSE FOAM I	\$	50,000.00	\$	25,498.59	\$	5,908.67	\$		\$		\$	31,405.26
11927 MEUBLES BELISLE INC.	\$	10,000.00	\$	3,158.52	\$		\$		\$		\$	3,158.52
11843 MEUBLES TOMALI INC.	\$	7,000.00	\$	(11.50)	\$		\$		\$		\$	(11.50)
11974 STYLITE INC.	\$	50,000.00	\$	11,558.30	\$	11,839.97	\$		\$		\$	23,398.27
11978 MATELAS ORTHOPEDIQUE	\$	27,397.56	\$		\$	1,856.58	\$	(250.30)	\$		\$	23,398.27
11982 BELPRO MEDICAL INC	\$	75,000.00	\$	42,500.44	\$		\$		\$		\$	23,254.14
12021 SEARIS CANADA INC.	\$	15,000.00	\$		\$		\$		\$		\$	42,209.54
12101 CRE D PACK INTERNATIONAL	\$	95,000.00	\$	20,573.97	\$	968.55	\$		\$		\$	968.55
12104 AD MATS CORPORATION	\$	40,000.00	\$	(92.80)	\$	20,181.28	\$	(84.65)	\$		\$	40,670.61
12122 ATLANTIC FABRICS LIMITED	\$	20,000.00	\$	17,613.60	\$		\$		\$		\$	(92.80)
12140 DOWNEAST PLASTICS LTD.	\$	20,000.00	\$	4,908.39	\$	5,781.24	\$	5,890.61	\$	4,982.62	\$	17,918.60
12146 MATELAS BEAUREVE INC	\$	30,000.00	\$		\$		\$		\$		\$	20,952.95
12150 REMBOURRAGE J A MARTINE	\$	175,000.00	\$	9,011.13	\$	2,362.15	\$		\$		\$	9,011.13
12158 BARRY SUPPLIES & FABRIC I	\$	10,000.00	\$	4,144.81	\$		\$		\$		\$	6,506.75
12230 WESSCO NA INC.	\$	40,000.00	\$	8,420.15	\$	699.61	\$		\$		\$	8,119.76
12242 SPORT SYSTEMS CANADA IN	\$	30,000.00	\$	1,217.35	\$	257.04	\$		\$		\$	1,474.39
12253 BEAULIEU CANADA	\$	7,500.00	\$	17,887.78	\$	4,819.79	\$		\$		\$	17,887.78
12256 TECH INNOVATIONS	\$	15,000.00	\$		\$	747.35	\$		\$		\$	4,619.75
12278 COUTURE CARLYLE INC. CW	\$	50,000.00	\$	2,022.78	\$		\$		\$		\$	2,022.78
12277 DOMINION CUTTING SERVICE	\$	5,000.00	\$	596.03	\$		\$		\$		\$	596.03
12282 VIGLINE 2008 INC.	\$	25,000.00	\$	334.08	\$	15,928.92	\$	10,439.91	\$	2,425.54	\$	29,232.65
12280 LOGIFLEX MOB DE BUREAU	\$	5,000.00	\$	1,184.25	\$	14,419.36	\$	17,459.72	\$	2,237.82	\$	99,795.77
12287 PAKTEK INC.	\$	5,000.00	\$	1,275.30	\$		\$		\$		\$	1,275.30
12286 PAVAR FURNITURE INC.	\$	10,000.00	\$	524.35	\$	1,055.56	\$		\$		\$	2,530.86
12303 WES INDUSTRIES INC.	\$	7,500.00	\$	7,529.09	\$	392.41	\$	1,005.11	\$	3,539.56	\$	4,543.77
12308 PYRAMEDIC INC. (W)	\$	25,000.00	\$	2,620.86	\$	6,507.75	\$	8,668.47	\$	1,152.75	\$	23,556.06
12314 GROUPE SIM BELLETIER	\$	15,000.00	\$	1,179.00	\$		\$		\$		\$	3,820.86
12328 HARWELL EMPALLAGE W NL	\$	75,000.00	\$	19,659.45	\$	9,079.05	\$	209.50	\$	9.05	\$	1,179.80
12330 ORTHEX CANADA ENR W	\$	10,000.00	\$	1,131.12	\$		\$		\$		\$	28,857.45
12331 ORTHEX CANADA ENR W	\$	90,000.00	\$	4,681.05	\$		\$		\$		\$	1,131.12
12334 SHOLA INC.	\$	20,000.00	\$	1,573.48	\$		\$	2,016.91	\$		\$	4,681.05
12341 REVOLUTION-SANTE-BI98445	\$	10,000.00	\$	9,722.17	\$		\$		\$		\$	11,891.35
12343 JAYHAR Bmx	\$	15,000.00	\$	5.00	\$		\$		\$		\$	1,284.39
12353 EQUIPMENT SANITAIRE CHER	\$	75,000.00	\$		\$		\$		\$		\$	9,722.17
12355 ADI ART DESIGN INTERNATIO	\$	90,000.00	\$		\$		\$		\$		\$	5.00
12357 VALENTINO INC W	\$	20,000.00	\$	1,464.04	\$		\$		\$		\$	1,464.04
12358 LINEA P INTERNATIONAL INC	\$	10,000.00	\$		\$		\$		\$		\$	3,504.57
12367 CONFORT EXCEL FLEX INC	\$	15,000.00	\$		\$		\$		\$		\$	
12373 PPD FOAM SOLUTION INC	\$		\$		\$		\$		\$		\$	
12380 DISTRIBUTION SECURITY SPOR	\$		\$		\$		\$		\$		\$	
12390 CONQUEST CARPET CORP.	\$		\$		\$		\$		\$		\$	

\$ 6,790,500.00 \$ 1,235,831.54 \$ 370,416.55 \$ 92,250.40 \$ 45,825.69 \$ 1,744,154.18





Consolidated

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

10005 ELFRAN	\$ 15	\$ 500,000.00	\$ 303,779.87	\$ 36,647.92	\$ 11,342.99	\$ 683.53	\$ 340,427.79	\$ 350,000.00
10374 SYLCO INC.	75	\$ 55,000.00	19,133.32	1,056.44	1,179.59	8,091.89	32,216.28	50,000.00
10387 LITERIE DRUMMOND LITEE	80	\$ 30,000.00	\$ -	\$ -	410.29	\$ -	7,815.54	14,000.00
10551 GESCOLTD PARTNERSHIP	90	\$ 600,000.00	\$ -	\$ -	\$ -	\$ -	55,739.28	20,000.00
11164 D & R FOAM	60	\$ 175,000.00	\$ -	\$ -	\$ -	\$ -	153,680	75,000.00
11399 SIÈGES DUCHARME INTERNA	75	\$ 150,000.00	\$ -	\$ -	\$ -	\$ -	130,615.23	75,000.00
11423 LES MEUBLES VANTAGE 1000	80	\$ 98,000.00	\$ -	\$ -	\$ -	\$ -	15,253.31	25,000.00
11924 MATELAS D'OR 8053-8834-CC	75	\$ 200,000.00	\$ -	\$ -	\$ -	\$ -	213,661.29	200,000.00
12381 L. DAVIS TEXTILES (1991) INC	45	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	13,688.05	25,000.00
<b>SUB-TOTAL CDN Insured</b>		\$ 1,773,000.00	\$ 429,743.23	\$ 99,933.41	\$ 141,052.72	\$ 141,052.72	\$ 768,802.09	\$ 844,000.00
10413 MATELAS MARTIN	90	\$ 375,000.00	\$ -	\$ -	\$ -	\$ -	153,665.26	80,000.00
10585 SUBAR	90	\$ 325,000.00	\$ -	\$ -	\$ -	\$ -	221,166.00	75,000.00
10777 TISSUS MORICQ INC.	90	\$ 150,000.00	\$ -	\$ -	\$ -	\$ -	89,457.38	100,000.00
11865 BOZANTO INC.	90	\$ 400,000.00	\$ -	\$ -	\$ -	\$ -	327,895.82	25,000.00
<b>SUB-TOTAL CDN Insured Net 90</b>		\$ 1,250,000.00	\$ 267,871.89	\$ 262,265.81	\$ 121,409.96	\$ 121,409.96	\$ 841,634.56	\$ 280,000.00
<b>SUB-TOTAL GANNA COUNT</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL GROSS</b>		\$ 3,023,000.00	\$ 697,615.12	\$ 1,262,199.22	\$ 262,462.68	\$ 262,462.68	\$ 1,610,436.65	\$ 1,124,000.00
<b>TOTAL OFFER</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>SUB-TOTAL CDN</b>		\$ 3,023,000.00	\$ 697,615.12	\$ 1,262,199.22	\$ 262,462.68	\$ 262,462.68	\$ 1,610,436.65	\$ 1,124,000.00
<b>SUB-TOTAL CDN Insured</b>		\$ 1,250,000.00	\$ 267,871.89	\$ 262,265.81	\$ 121,409.96	\$ 121,409.96	\$ 841,634.56	\$ 280,000.00
<b>SUB-TOTAL CDN Insured Net 90</b>		\$ 1,250,000.00	\$ 267,871.89	\$ 262,265.81	\$ 121,409.96	\$ 121,409.96	\$ 841,634.56	\$ 280,000.00
<b>SUB-TOTAL GANNA COUNT</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OFFER</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11182 VALLE FOAM INDUSTRIES INC	45	\$ 1,750,000.00	\$ 263,895.10	\$ 34,27	\$ -	\$ -	\$ 254,229.37	\$ -
12102 A.Z SPONGE & FOAM	80	\$ 125,000.00	\$ 27,028.48	\$ 30,276.59	\$ -	\$ -	\$ 71,175.61	\$ -

11

Consolidated

AGED ACCOUNTS RECEIVABLE  
DOWFOAM INTERNATIONAL INC.

Dated Jan 31, 2012

NAME	NET	CREDIT LIMIT	CURRENT	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
<b>USD</b>							
U11771 JEFFCO FIBRES INC	45	\$ 2,030,365.00	\$ 556,732.35	\$ 78,213.67	\$ -	\$ -	\$ 634,946.02
U12184 OTIS BED MANUFACTURING C	60	\$ 406,065.00	\$ 20,979.01	\$ 53,559.58	\$ 874.95	\$ -	\$ 75,413.54
U12171 FRANKLIN AURUST TRADING	30	\$ 7,089.00	\$ 7,179.44	\$ 1,229.19	\$ -	\$ -	\$ 8,398.63
U12183 FOAM FACTORY INC	50	\$ 9,862.00	\$ -	\$ 236.00	\$ -	\$ -	\$ 236.00
U12184 GREAT NORTHERN ASSOCIAT	60	\$ 159,172.00	\$ 12,578.70	\$ -	\$ -	\$ -	\$ 12,578.70
U12187 QUINN DISTRIBUTORS	30	\$ 49,810.00	\$ 12,428.10	\$ -	\$ -	\$ -	\$ 12,428.10
U12188 KRAUS USA INC	45	\$ 73,964.00	\$ 17,757.90	\$ -	\$ -	\$ -	\$ 17,757.90
U12189 LATEX INTERNATIONAL	30	\$ 10,000.00	\$ 190.10	\$ -	\$ -	\$ -	\$ 190.10
<b>SUB-TOTAL USD</b>		\$ 2,645,787.00	\$ 627,956.60	\$ 136,550.56	\$ 1,110.95	\$ -	\$ 765,638.11
<b>30% NRFD DISTRIBUTORS INC.</b>							
<b>SUB-TOTAL USD Insured</b>	30	\$ 256,410.00	\$ 11,416.86	\$ -	\$ -	\$ -	\$ 11,416.86
<b>U12129 WCA INC</b>	90	\$ 1,380,671.00	\$ 168,793.64	\$ 160,191.76	\$ 178,981.57	\$ 36,247.43	\$ 544,154.40
<b>SUB-TOTAL USD Insured Net 90</b>		\$ 1,380,671.00	\$ 168,793.64	\$ 160,191.76	\$ 178,981.57	\$ 36,247.43	\$ 544,154.40
<b>SUB-TOTAL SANNA COUNT</b>							
<b>TOTAL GROSS</b>			\$ 807,989.10	\$ 296,882.32	\$ 180,092.52	\$ 36,247.43	\$ 1,321,211.37
<b>TOTAL OFFER</b>							
<b>SUB-TOTAL USD</b>			\$ 219,742.81	\$ 47,841.70	\$ 388.89	\$ -	\$ 267,973.34
<b>SUB-TOTAL USD Insured</b>			\$ 3,996.60	\$ -	\$ -	\$ -	\$ 3,996.60
<b>SUB-TOTAL USD Insured</b>			\$ 59,056.77	\$ 62,643.55	\$ 12,686.60	\$ -	\$ 130,454.04
<b>SUB-TOTAL SANNA COUNT</b>							
<b>TOTAL OFFER</b>			\$ 282,795.19	\$ 103,808.81	\$ 63,032.38	\$ 12,686.60	\$ 462,423.98
<b>USD CONVERTED TO CDN.</b>							
EXCHANGE RATE JAN 31, 2012							
<b>TOTAL CDN GROSS</b>			\$ 807,989.10	\$ 286,882.32	\$ 180,092.52	\$ 36,247.43	\$ 1,321,211.37
<b>TOTAL CDN OFFER</b>							\$ 462,423.98

12

Dated Jan 31, 2012.

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

GROSS

Amount Before Rebates (AR)	CDN.	USD	USD to CDN	Total
SUB TOTAL	2,038,974.91	1,210,447.46	-	3,244,422.37
SUB TOTAL Insured	1,015,452.66	15,044.90	-	1,030,497.56
SUB TOTAL Insured Net 90	852,212.31	544,154.40	-	1,396,366.71
SUB TOTAL GANNA COUNT	-	-	-	-
<b>TOTAL GROSS</b>	<b>3,901,639.88</b>	<b>1,769,646.76</b>	<b>-</b>	<b>5,671,286.64</b>

VALLEFOAM INDUSTRIES INC.  
A-Z SPONGE & FOAM

MISC: EXCHANGE RATE

TOTAL GROSS

Rebate Amount (Rebates)

	CDN	USD	USD to CDN	Total
SUB TOTAL	(289,820.73)	(444,809.35)	-	(734,630.08)
SUB TOTAL Insured	(256,570.57)	(3,626.04)	-	(260,196.61)
SUB TOTAL Insured Net 90	(10,577.75)	-	-	(10,577.75)
SUB TOTAL GANNA COUNT	-	-	-	-
<b>TOTAL GROSS</b>	<b>(556,969.05)</b>	<b>(448,435.39)</b>	<b>-</b>	<b>(1,005,404.44)</b>

Combined Amount (Combined)

	CDN	USD	USD to CDN	Total
SUB TOTAL	1,744,154.18	765,638.11	-	2,509,792.29
SUB TOTAL Insured	758,882.09	11,418.86	-	770,300.95
SUB TOTAL Insured Net 90	841,634.56	544,154.40	-	1,385,788.96
SUB TOTAL GANNA COUNT	-	-	-	-
<b>TOTAL GROSS</b>	<b>3,344,670.83</b>	<b>1,321,211.37</b>	<b>-</b>	<b>4,665,882.20</b>

Dated Jan 31, 2012

AGED ACCOUNTS RECEIVABLE  
DOMFOAM INTERNATIONAL INC.

OFFER

Amount Before Rebates (AR)	CDN	USD	USD to CDN	Total
SUB TOTAL	\$ 1 201 857,89	\$ 423 656,61	\$ -	1 625 014,50
SUB TOTAL Insured	\$ 609 271,60	\$ 5 265,72	\$ -	614 537,31
SUB TOTAL Insured Net 90	\$ 511 327,39	\$ 190 454,04	\$ -	701 781,43
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
TOTAL OFFER	\$ 2 321 956,87	\$ 619 376,37	\$ -	2 941 333,24

Rebate Amount (Rebates)

	CDN	USD	USD to CDN	Total
SUB TOTAL	\$ (173 115,66)	\$ (155 683,27)	\$ -	(328 798,93)
SUB TOTAL Insured	\$ (153 942,34)	\$ (1 269,11)	\$ -	(155 211,46)
SUB TOTAL Insured Net 90	\$ (6 346,65)	\$ -	\$ -	(6 346,65)
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
TOTAL OFFER	\$ (333 404,65)	\$ (156 952,38)	\$ -	(490 357,04)

Combined Amount (Combined)

	CDN	USD	USD to CDN	Total
SUB TOTAL	\$ 1 028 242,23	\$ 267 973,34	\$ -	1 296 215,57
SUB TOTAL Insured	\$ 455 329,25	\$ 3 996,60	\$ -	459 325,86
SUB TOTAL Insured Net 90	\$ 504 980,74	\$ 190 454,04	\$ -	695 434,78
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
TOTAL OFFER	\$ 1 988 552,22	\$ 462 423,98	\$ -	2 450 976,20

(14)

Schedule 2.9(B)

Purchased Inventories:

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Section 1

List of Purchased Inventories as of January 11, 2012

(and for some items as of January 31, 2012)


*See document attached*  
*Total of one (1) page*

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Section 2

Calculation of the Purchase Price attributed to the Purchased Inventories

*See document attached*  
*Total of two (2) page*

Schedule 2.9(B) - Section 1			
		SEC.	January 11, 2012
		RAW MATERIAL	
SCRAP		1	155 026
FILM		2	52 547
UNDERLAY TUBING		3	36 551
NON CHEMICALS		5	26 656
BONDED CHEMICAL		6	7 354
CHEMICALS (MAJORS)		7	810 266 (1)
OTHERS		8	86 756
SMALL CHEMICALS		9	505 644 (1)
POLYESTER FIBRE			0
		sub total:	1 680 800
			1 680 800
WORK IN PROCESS			
BONDED BLOCKS square		11	10 372
BONDED BUNS round		12	0
SQUARE BLOCK / ETHER BLOCKS		13	1 010 428
ROUND ESTER BUNS		14	25 374
ROUND ETHER UNDERLAY BUNS		15	0
POLY ETHER BUNS		16	143 382
		sub total:	1 189 556
			1 189 556
TOTAL R,M & W. IN P.		total:	2 870 356
			2 870 356
FINISHED GOODS			
BONDED UNDERLAY		17	0
SHIPPING INVENTORY (GOODS)		18,23	113 574 (2)
		sub total:	113 574
			113 574
TOTAL INVENTORY		TOTAL:	2 983 930
			2 983 930
SECTION 1	SUPPLIES	1	33 407
SECTION 2	FIBER	2	3 763
SECTION 3	BLOCKS	3	13 286
SECTION 4	BUN ENDS	4	1 827
SECTION 5	COMMANDES/stock	5	19 795
TOTAL INVENTORY		TOTAL:	72 081
OVERALL VALUE			3 056 011
(1) As per the document added in the Data Room on Feb. 14, 2012.			
(2) There is no count for the latex inventory on page 107 of the "Equipment and Inventory" document in the Data Room.			

Schedule 2.9(B) - Section 2

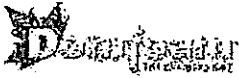
SEC.	January 31, 2012	Purchase Price offered	
<b>RAW MATERIAL</b>			
SCRAP	.1	155 026	
FILM	2	52 547	
UNDERLAY TUBING	3	36 551	
NON CHEMICALS	5	26 656	10%
BONDED CHEMICAL	6	7 354	
CHEMICALS (MAJORS)	7	810 266	30%
OTHERS	8	86 756	0%
SMALL CHEMICALS	9	505 644	50%
POLYESTER FIBRE		0	
sub total:		1 680 800	
		1 680 800	
<b>WORK IN PROCESS</b>			
BONDED BLOCKS square	11	10 372	
BONDED BUNS round	12	0	
SQUARE BLOCK / ETHER BLOCKS	13	1 010 428	30%
ROUND ESTER BUNS	14	25 974	30%
ROUND ETHER UNDERLAY BUNS	15	0	
POLY ETHER BUNS	16	143 382	30%
sub total:		1 189 556	
		1 189 556	
TOTAL R.M. & W. IN P.	total:	2 870 356	
		2 870 356	
<b>FINISHED GOODS</b>			
BONDED UNDERLAY	17	0	30%
SHIPPING INVENTORY (GOODS)	18,23	113 574	
sub total:		113 574	
		113 574	
TOTAL INVENTORY	TOTAL:	2 983 930	
		2 983 930	
SECTION 1	SUPPLIES	1	33 407
SECTION 2	FIBER	2	3 763
SECTION 3	BLOCKS	3	13 286
SECTION 4	BUN ENDS	4	1 827
SECTION 5	COMMANDERS/stock	5	19 798
TOTAL INVENTORY	TOTAL:	72 081	
Add purchase of uncounted items with no specific price above.			
			20 000
<b>OVERALL VALUE</b>		3 056 011	946 586

\*\* Designates counted inventory

<b>Note 1</b>			
Total Chemical in inventory			810 266
less TD in Inv (value \$0.00)	93 313 lbs @ 1.39/lb		129 705
Remaining inventory			680 561
	Value at 30%		204 168

**Note 2**  
The inventory regarding those items have been evaluated as of January 31, 2012.

**Note 3**  
The Purchaser shall pay 100% of the latex based on the cost presented on page 107 of the document "Equipment and Inventory" posted on February 14, 2012 in the Data Room (see attachment) and the final count of Latex as of the Closing Date.



Sauf sur indication contraire, tout le matériel compté est bon et disponible immédiatement.

SIGNATURE:

21 (LAST SHEET)

LATEX INVENTORY

TYPE	QUANTITY	COST	TOTAL
Single Soft (TXL 65)		\$ 115.30	\$ -
Single Medium (TXL 75)		\$ 135.30	\$ -
Single Firm (TXL 85)		\$ 204.95	\$ -
Single XTRA FIRM (TXL 95)		\$ 185.00	\$ -
Twin Soft (T 65)		\$ 115.30	\$ -
Twin Medium (T 75)		\$ 135.30	\$ -
Twin Firm (T 85)		\$ 204.95	\$ -
Twin XTRA FIRM (T 95)		\$ 185.00	\$ -
Double Soft (F 65)		\$ 216.21	\$ -
Double Medium (F 75)		\$ 230.40	\$ -
Double Firm (F 85)		\$ 236.40	\$ -
Double XTRA FIRM (F 95)		\$ 256.00	\$ -
Queen Soft (Q 65)		\$ 185.85	\$ -
Queen Medium (Q 75)		\$ 198.45	\$ -
Queen Firm (Q 85)		\$ 315.31	\$ -
Queen XTRA FIRM (Q 95)		\$ 352.40	\$ -
King Soft (K 65)		\$ 235.20	\$ -
King Medium (K 75)		\$ 250.95	\$ -
King Firm (K 85)		\$ 284.55	\$ -
King XTRA Firm (K 95)		\$ 330.75	\$ -
CK SOFT (CK 65)		\$ 325.00	\$ -
CK MED (CK 75)		\$ 325.00	\$ -
CK FIRM (CK 85)		\$ 360.00	\$ -
CK XTRA FIRM (CK 95)		\$ 390.00	\$ -
5 ZONE		\$ 390.00	\$ -
7 ZONE		\$ 400.00	\$ -
PILLOW		\$ 20.00	\$ -



Schedule 2.9(E)

Excess rebates to customers

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*See document attached  
Total of two (2) pages*

Dated: Jan 31, 2012

GROSS REBATES AVAILABLE

CDN Rebates Available	\$	591,556,45
US Rebates Available in (CDN)	1 \$	448,435,39
<b>TOTAL REBATES AVAILABLE</b>	<b>\$</b>	<b>1,039,991,84</b>

GROSS REBATES APPLIED

	CDN	USD	USD to CDN	Total
SUB TOTAL	\$ (289,820,73)	\$ (444,809,35)	\$ -	\$ (734,630,08)
SUB TOTAL Insured	\$ (256,570,57)	\$ (3,626,04)	\$ -	\$ (260,196,61)
SUB TOTAL Insured Net 90	\$ (10,577,75)	\$ -	\$ -	\$ (10,577,75)
SUB TOTAL GANNA COUNT	\$ -	\$ -	\$ -	\$ -
<b>TOTAL GROSS</b>	<b>\$ (556,969,05)</b>	<b>\$ (448,435,39)</b>	<b>\$ -</b>	<b>\$ (1,005,404,44)</b>

EXCESS UNAPPLIED REBATES

	\$	34,587,40
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Domfoam International  
 Rebates  
 As of Jan 27 2012

CUST #	REBATE AMOUNT OUTSTANDING; OFFSET AGAINST ACCOUNTS RECEIVABLE
10072	\$127,739.99
10120	\$1,769.76
10192	\$591.27
10485	\$22,390.75
10551	\$18,833.96
11207	\$2,249.62
U11429	\$3,626.04
12000	\$7,267.85
12253	\$3,606.38
00202	\$14,808.00
10005	\$171,143.58
1020	\$24,868.08
10305	-\$162.69
10358	\$1,554.44
10379	\$4,939.56
10384	\$7,139.28
10510	\$4,601.00
10545	\$6,193.47
10848	\$5,14.01
11155	\$4,186.45
11164	\$66,036.80
11209	\$16,269.76
11268	\$5,184.22
11289	\$6,523.36
11457	\$13,380.06
11666	\$10,577.76
11771	\$444,809.35
11844	\$5,922.65
11924	\$17,760.30
11927	\$11,128.04
12158	\$8,822.25
12282	\$5,716.50
	\$1,039,991.84

U:/2011-01-27 REBATES OUTSTANDING DOMFOAM.xls

Schedule 4.1(c)  
Confidentiality Agreement

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*See document attached  
nine (9) pages*

CONFIDENTIAL

Domfoam International Inc.  
 2785 Langelier Blvd.  
 St Léonard, QC  
 H1P 2C9

Attention: John Howard

Re: Domfoam International Inc., Valle Foam Industries (1995) Inc, and A-Z Sponge & Foam Products Ltd. (collectively, the "Corporation") - Proposed Sale of Assets ("Proposed Transactions")

We have requested that the Corporation provide us (the "Interested Party") with the Confidential Information (defined below) to assist in determining for ourselves the desirability and feasibility of proceeding with the Proposed Transactions pursuant and subject to the terms and conditions set by the Corporation (the "Permitted Purpose") and contained herein.

It is acknowledged that but for delivery of this letter the Corporation would not provide the Interested Party such Confidential Information.

Upon acceptance of this letter by the Corporation and subject to the provisions thereof, the Corporation shall provide or cause to be provided to the Interested Party such Confidential Information as the Corporation in the exercise of its unfettered discretion may determine.

"Confidential Information" means all financial statements and information and all data, compilations, analysis, documentation, and other information and every part thereof, whether in electronic form or otherwise, which now or hereafter comes into the possession or under the control of the Interested Party or its Representatives (defined below) including, without limitation, that relating to the Corporation's business organization, business operations and systems, Know-how, business plans, Research Information, Customer Information, suppliers, financial structure, Financial Information, Supplied Information, Marketing Information, assets, employees, employee relationships, Software and other information of any kind relating to any of the foregoing and includes all data, compilations, analysis and other documents and information prepared by or on behalf of the Interested Party or by any of the Representatives based, in whole or in part, on any of the foregoing, but expressly excluding any reports or analysis of the Corporation conducted by any professionals retained by or with respect to the Corporation, including, without limitation, Deloitte LLP, in connection with the current financial state of the Corporation; any restructuring scenarios available to the Corporation; and any analysis of the value of the Corporation or its assets.

For the purposes of this letter:

- (a) "Corporation" shall include and extend to each subsidiary of the Corporation, each partnership controlled by the Corporation or their

respective subsidiaries, each of whom shall be entitled to directly enforce the provisions of this letter against the Interested Party notwithstanding that this letter is not directly addressed to or required to be accepted by any one or more of such subsidiaries and partnerships;

- (b) "Customer Information" includes any information pertaining to the Corporation's customers; prospective customers; customer base and markets; prospective customer base and markets, including customer or prospective customer names and addresses and the names of employees of customers or prospective customers with whom the Corporation is in contact in its business, or proposes to contact, customer or prospective customer requirements and the Corporation's contracts with its customers or prospective customers, including details as to pricing, supply of services; and royalty and/or commission rates;
- (c) "Financial Information" includes any and all information pertaining to the Corporation's actual or anticipated sales, income, projections, profit, profitability, pricing, salaries and wages;
- (d) "Know-how" includes the accumulated skills, experience, knowledge, patents, intellectual property, information, data, patterns, designs, engineering specifications, schematics and other information with respect to the design, production and provision of the products and/or services offered by the Corporation's business or proposed business and of the Software related thereto;
- (e) "Marketing Information" includes information including but not limited to the Corporation's marketing programs, plans, strategies and proposed future products, services, advertising and promotions;
- (f) "person" shall be broadly interpreted to include, without limitation, any individual, corporation, limited liability corporation, company, group, partnership, limited liability partnership or other entity;
- (g) "Representatives" means, collectively, each of the directors, officers, employees, agents and other representatives of the Interested Party or the Corporation (as the case may be) including, without limitation, their respective lawyers, accountants, consultants and financial advisors;
- (h) "Research Information" includes information pertaining to any research, development, investigation, study, analysis, experiment or test carried on or proposed to be carried on by the Corporation;
- (i) "Software" includes all methods, programs, techniques and other information and materials relating to the handling or treatment of data by computers and all other necessary information utilized in order to provide the services offered by the Corporation's business or proposed business and all documentation thereto, and includes all computer programs, including

Supplement and

HTML, JAVA, UNIX, LINUX, GNU, C++, and other internet-oriented computer programs, systems software and application programs, and all related manuals, documentation and materials relating to the systems software and application programs;

- (j) "Supplied Information" includes all business information, computer software and technology which is proprietary to any other person doing business with the Corporation and which is made available to the Corporation under conditions of confidentiality.

At the request of the Corporation and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Interested Party covenants and agrees with the Corporation as follows:

1. **Deemed Confidential Property:** As between the Corporation and the Interested Party, the Confidential Information, and every part thereof, is and shall at all times be deemed to be the confidential property and constitute valuable trade secrets of the Corporation, whether or not, but for this paragraph, the same would otherwise be considered confidential and/or trade secrets and whether or not it is marked or otherwise expressed on its face to be confidential.
2. **Ownership:** The Confidential Information is and shall be deemed to be owned solely by the Corporation and the right to maintain confidential the Confidential Information constitutes an exclusive proprietary right of the Corporation which it is entitled to protect. The Interested Party does not and shall be deemed not to have any right to or proprietary interest in the Confidential Information. All of the Confidential Information which is disclosed to or otherwise comes into the possession or under the control of the Interested Party shall, subject to paragraph 5 below, be received and held by the Interested Party in trust solely for the Corporation notwithstanding the Interested Party's right to use it for the Permitted Purpose.
3. **Permitted Use:** The Confidential Information shall only be used directly by the Interested Party and its Representatives for the Permitted Purpose. Except as otherwise provided for herein, the Confidential Information will be kept strictly confidential by the Interested Party, whether or not such Confidential Information is marked or otherwise expressed on its face to be confidential. Other than as permitted herein, the Interested Party will not, directly or indirectly, without the prior written consent of the Corporation (which consent may be arbitrarily withheld) disclose, publish, reproduce or otherwise disseminate or communicate the Confidential Information, nor will it permit, cause or acquiesce in such disclosure or other dissemination or communication of the Confidential Information by the Representatives of the Interested Party or by any other person, all in any manner whatsoever, in whole or in part.

The Interested Party agrees to restrict the disclosure, dissemination or other communication of the Confidential Information solely to such of the Interested Party's Representatives who need to know the Confidential Information for the Permitted Purpose and the Interested Party shall inform its Representatives of the ownership and strict confidential nature of the Confidential Information.

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Suppressed in writing by the Interested Party

Suppressed and who agree in writing with the Interested Party to be bound by the terms of this letter

4. Disclosure List & Responsibility for Representatives. The Interested Party shall maintain a current listing of each of its Representatives to whom any of the Confidential Information has been disclosed or otherwise disseminated or communicated and on each and every request of the Corporation, the Interested Party shall without delay deliver to the Corporation a complete and accurate copy of such list. The Interested Party shall similarly deliver on request the following information:

- (a) name of the any law firms, accounting firms and consulting firms (the "Firms") involved with the Interested Party as its Representatives;
- (b) name of the person in charge for each Firm;
- (c) business address and telephone number to reach the person in charge for each Firm.

Supprimer of any or all persons set out on the said list.

The Interested Party shall be responsible and liable to the Corporation for any and all acts or omissions of each of its Representatives which if done or omitted directly by the Interested Party would be a breach of the provisions of this letter.

The Interested Party shall safeguard the Confidential Information from disclosure or other dissemination or communication to any person other than as expressly permitted herein.

5. Exceptions to Prohibited Use: The obligations and limitations imposed on the Interested Party and its Representatives hereunder shall not apply to any Confidential Information:

- (a) which is or becomes generally available to the public other than as a result of its disclosure or other dissemination or communication by the Interested Party or its Representatives; or
- (b) which becomes available to the Interested Party or its Representatives on a non-confidential basis from a source other than the Corporation or its Representatives, provided that such source is not then bound by a confidentiality agreement with the Corporation or otherwise prohibited from transmitting the Confidential Information to the Interested Party or its Representatives by contractual, legal or fiduciary obligation, or
- (c) which is already in possession of the Interested Party, provided that such Confidential Information is not subject to another confidentiality agreement or non-disclosure agreement with the Corporation.

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In addition, the obligations and restrictions imposed on the Interested Party and its Representatives hereunder shall not extend to prohibit the Interested Party from discussing the Proposed Transactions with and disclosing any of the Confidential Information to:

- (i) any other person who has signed a confidentiality agreement with the Corporation in substantially the form of the agreement constituted by this letter regarding any of the Proposed Transactions; and



- (ii) any governmental or regulatory body in Canada having jurisdiction over the operations of the Corporation or any part thereof or over the Interested Party in connection with its participation in any of the Proposed Transactions, provided that the disclosure, dissemination or other communication of any of the Confidential Information to such governmental or regulatory body is made on a confidential basis and such confidential basis is either provided for by applicable law or recognized in writing by the relevant body.

Notwithstanding the foregoing provisions of this paragraph 5, in the event that the Interested Party or its Representatives are required by law or governmental action to disclose any of the Confidential Information, the Interested Party and/or its Representatives will, on a best effort basis, deliver to the Corporation prompt prior notification of such requirement(s) so that the Corporation may seek an appropriate protective order and/or waive compliance by the Interested Party or its Representatives with the provisions of this letter. If, failing the obtaining of a protective order or the delivery of such a waiver, the Interested Party is, in the opinion of its legal counsel, compelled to disclose, disseminate or otherwise communicate the Confidential Information, the Interested Party may disclose, disseminate, or otherwise communicate the Confidential Information, but only to the extent so compelled, without liability hereunder.

Supplied written

6. **Return of Information:** The Interested Party shall, on receipt of the written request of the Corporation, promptly deliver to the Corporation all of the Confidential Information which is in recorded form (whether such form be in writing or in electronically retrievable form or electronically stored data or otherwise) and each of the Interested Party and its Representatives shall not retain any copies thereof.
7. **No Liability for Information:** At the time(s) any of the Confidential Information is delivered to the Interested Party, the Corporation will attempt to include in such Confidential Information such materials which the Corporation considers to be reliable and relevant for the Permitted Purpose; however, the Corporation shall not have or incur any, and the Interested Party hereby waives any right to claim any, liability to the Interested Party or its Representatives in connection with or arising from the Confidential Information and the use thereof by the Interested Party or its Representatives.

The Interested Party acknowledges and agrees for itself and its Representatives that neither the Corporation nor any of its Representatives in providing the Confidential Information has or will be taken to have made either expressly or impliedly any representations or warranties as to the accuracy or completeness of the Confidential Information and the Interested Party confirms that it is not relying on any representations or warranties of the Corporation or its Representatives in making use of the Confidential Information.

8. **Indemnity:** The Interested Party hereby unconditionally indemnifies and shall forever save harmless the Corporation from and against any and all losses, damages, liabilities (whether actual, contingent or otherwise), proceedings, costs and expenses including, without limitation, legal fees (on a scale as between a solicitor and his own client), which the Corporation or its Representatives may suffer, incur or sustain in

connection with or as a result of a breach by the Interested Party or any of its Representatives of any of the provisions contained in this letter:

All of the provisions contained herein are reasonable in the circumstances and valid and the Interested Party hereby waives all defences, equities and rights to and against the strict enforcement thereof by the Corporation and its Representatives:

Suppressed rights of set off

9. **Continuity of Agreement:** The prohibitions, limitations and obligations of the Interested Party herein contained shall continue in full force and effect notwithstanding the Interested Party ceasing to proceed with any of the Proposed Transactions and will survive any termination or cancellation of its involvement, if any, in the Proposed Transactions.
  10. **Use of Information Past Involvement:** The Interested Party shall not, at any time after it ceases to proceed with or be involved in the Proposed Transactions and except as otherwise expressly provided for herein: (i) use any of the Confidential Information in furtherance of the business of the Interested Party or the business of any other person; (ii) interfere in any way with any contractual or other business relationship of the Corporation; (iii) disclose, disseminate or otherwise communicate the Confidential Information or any part thereof to any person or utilize the Confidential Information in any way which is adverse to the Corporation; or (iv) directly or indirectly solicit for employment any person who is now employed by the Corporation, unless the Corporation otherwise agrees in writing prior to such solicitation for employment.
  11. **Right to Enjoin:** It is acknowledged that the provisions of this letter are essential for the protection of the Corporation and, in the event of the non-performance of any provisions hereof in strict accordance with their specific terms or any breach of any provisions of this letter, the same would cause immediate and irreparable harm and damage to the Corporation for which monetary relief would be inadequate or impossible to ascertain. The Interested Party agrees that upon any breach or threatened breach of the provisions hereof, the Corporation shall be entitled to obtain from any court of competent jurisdiction, interim and permanent injunctive relief or other appropriate form of equitable relief to effectively enforce the provisions hereof, and an accounting of all profits and benefits which may have been or which may be derived both directly or indirectly, as a direct or indirect result of such breach by the Interested Party or any of its Representatives who have committed or who have threatened to commit such breach, which rights and remedies shall be cumulative and in addition to any other rights or remedies to which the Corporation may be entitled.
- No failure or delay by the Corporation in exercising or taking steps to enforce any of its rights or entitlements under the provisions of this letter shall operate as a waiver thereof, unless such waiver is in writing and signed by the Corporation, nor shall any single or partial exercise thereof preclude any other or future exercise of any other right or entitlement of the Corporation hereunder.
12. **Notices:** Any notice desired, contemplated or required by this letter to be given shall be delivered by hand or facsimile to:

(a) the Corporation at:

8785 Langelier Blvd.  
St. Leonard, QC H1P 2C9

Attention: John Howard  
Telephone No. 514-325-8120  
Facsimile No. 514-325-6477

Supprimé:  
Supprimé:  
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(b) the Interested Party at:

8600 Decarie Blvd.  
Suite 200  
Town of Mount Royal, QC H4P 2N2

Attention: Frank J. Galtinger  
Telephone No. 514-341-8600  
Facsimile No. 514-340-1389

Supprimé:  
Supprimé:  
Supprimé: Québec  
Supprimé:  
Supprimé:  
Supprimé:

With copy to:

Laurie Perron Lambert Vincent  
480 Saint-Lauront Blvd.  
Suite 200  
Montreal, QC H2V 3Y7

Attention: Jacques Vincent  
Telephone No. 514-798-0990  
Facsimile No. 514-798-5399

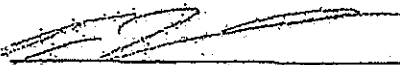
13. Applicable Law: The provisions of this letter shall be governed by and construed and enforced exclusively in accordance with the laws of Quebec and the federal laws of Canada applicable therein.

Supprimé: Ontario

The Corporation is requested to evidence its agreement and acceptance of the provisions of the letter by signing and returning the enclosed copy thereof which has been signed by the Interested Party, whereupon this letter will constitute the binding agreement between the Interested Party and the Corporation with respect to the subject matter thereof.

Yours very truly,

S.P. Holdings Canada Inc. or Nominee

Per:   
T. ROSENBLATT

Supprimé:  
Per: [ ]

TO: S.P. Holdings Canada Inc, or Nominee

Accepted and agreed to with effect as of the date set out above.

DOMFOAM INTERNATIONAL INC.

Per:

John C Howard

Per:

JOHN C. HOWARD

WVA 226

Père: \_\_\_\_\_

Schedule 5.1(o)

List of assets to be acquired by the Vendor

From Valle Foam Industries (1995) Inc.

Prior to the Closing Date

---

*See document attached  
one (1) page*

Equipment to be Acquired From Vallé Foam

Bonded foam peeler and boring machine  
 Foam shredding line c/w blower  
 2 shredded foam storage bins c/w fluffer arms, gearboxes and drives (2 units @ \$5,000 each)  
 Baumer contour saw c/w infeed and outfeed conveyors.  
 Wyntec contour saw c/w infeed and outfeed conveyors  
 Convoluter - Edge Saw 88" capacity  
 Carousel (of Chinese manufacture)  
 Automatic wrapping machine (built at Domfoam in 1996)  
 Automatic vertical saw  
 Zwick foam tester

Dismantle, transport and reassemble at Domfoam.

Additional Items


Foam shredding line c/w blower  
 floor scale  
 Laminator unwind set-up  
 Laminator heating system  
 Underlay sealer  
 Web align unit  
 Air compressor  
 H.P. boiler 50 HP

Dismantle, transport and reassemble at Domfoam

Tab D



THIS IS EXHIBIT "D" TO THE  
AFFIDAVIT OF JACQUES VINCENT  
SWORN THIS 13<sup>th</sup> DAY OF  
SEPTEMBER, 2018

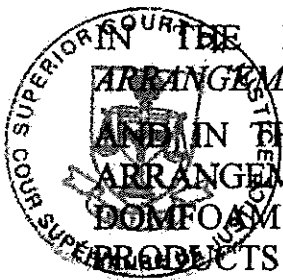
  
A Commissioner, etc.



Anny Groulx

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) FRIDAY, THE 16<sup>th</sup> DAY  
 )  
JUSTICE BROWN ) OF MARCH, 2012



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 VALLE FOAM INDUSTRIES (1995) INC.,  
DOMFOAM INTERNATIONAL INC., and A-Z SPONGE & FOAM  
PRODUCTS LTD.

(the "Applicants")

**SALE APPROVAL AND VESTING ORDER  
(re Domfoam International Inc.)**

**THIS MOTION**, made by the Applicants for an Order approving the sale transaction (the "Transaction") contemplated by an asset purchase agreement (the "Sale Agreement") between Domfoam International Inc. (the "Debtor") and 4037057 Canada Inc. (the "Purchaser") dated March 8, 2012 and Confidential Supplement to the Third Report of Deloitte & Touche Inc., in its capacity as Court-appointed monitor (the "Monitor"), dated March 13, 2012 (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Tony Vallecoccia sworn March 13, 2012, and the exhibits thereto, the Report dated March 13, 2012, and the Confidential Supplement attached thereto, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Victoria Stewart sworn March 13, 2012, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the Debtor may deem necessary. The Debtor and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, or such related entity as it may direct, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims (direct, indirect, absolute or contingent), assignments, judgments, executions, writs of seizure and sale, options, adverse claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the

Honourable Justice Newbould dated January 12, 2012; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) the Claims (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed in the Sale Agreement) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Debtor and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed in the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal

information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

6. **THIS COURT ORDERS** that, notwithstanding:

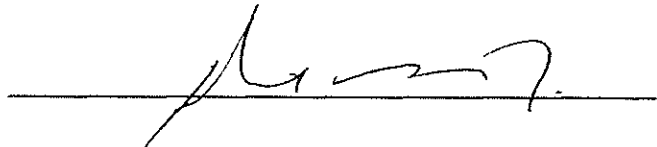
- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser, as well as the execution of all agreements pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).


8. **THIS COURT ORDERS** that the Debtor is authorized and directed to change its corporation name from Domfoam International Inc. in order to complete the Transaction, if necessary.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Debtor and the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtor and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Debtor and the Monitor and its agents in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to be "A. Smith", is written over a horizontal line.

#1863901 | 4079509

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

MAR 16 2012 

**Schedule A – Form of Monitor’s Certificate**

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

**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 VALLE FOAM INDUSTRIES (1995) INC.,  
DOMFOAM INTERNATIONAL INC., and A-Z SPONGE & FOAM  
PRODUCTS LTD.

(the “Applicants”)

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the “Court”) dated January 12, 2012, Deloitte & Touche Inc. (the “Monitor”) was appointed to monitor the business and financial affairs of Domfoam International Inc. (the “Debtor”).

B. Pursuant to an Order of the Court dated March 16, 2012, the Court approved the asset purchase agreement made as of March 8, 2012 (the “Sale Agreement”) between the Debtor and 4037057 Canada Inc. (the “Purchaser”) and provided for the vesting in the Purchaser, or such related entity as it may direct, of the Debtor’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 Debtor or Monitor to the Purchaser of a certificate confirming (i) the payment by the

Purchaser of the Purchase Price for the Purchased Assets, save and except for the Holdback; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iii) save and except for the Holdback and the settlement of the Purchase Price as per Section 2.10 of the Sale Agreement, the Transaction has been completed to the satisfaction of the Debtor and the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement, save and except for the Holdback;
2. The conditions to Closing of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and
3. Save and except for the Holdback and the settlement of the Purchase Price as per Section 2.10 of the Sale Agreement, the Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at [TIME] on \_\_\_\_\_ 2012.



**Deloitte & Touche Inc., in its capacity  
as Court-appointed monitor of the  
Applicants, and not in its personal  
capacity**

Per: \_\_\_\_\_

Name:

Title:

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 VALLE FOAM INDUSTRIES  
(1995) INC., DOMFOAM INTERNATIONAL INC., and A-Z SPONGE & FOAM PRODUCTS LTD.

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

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**APPROVAL & VESTING ORDER  
(re Domfoam International Inc.)**

**MINDEN GROSS LLP**

145 King Street West, Suite 2200  
Toronto ON M5H 4G2

**Raymond M. Slattery** (LSUC #20479L)  
416-369-4149  
[rslattery@mindengross.com](mailto:rslattery@mindengross.com)

**David T. Ullmann** (LSUC #423571)  
416-369-4148  
[dullmann@mindengross.com](mailto:dullmann@mindengross.com)

**Sepideh Nassabi** (LSUC #60139B)  
416-369-4323  
[snassabi@mindengross.com](mailto:snassabi@mindengross.com)  
416-864-9223 fax

Lawyers for the Applicants

**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.**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**MOTION RECORD  
VOLUME I**

**FRED TAYAR & ASSOCIATES**  
Professional Corporation  
Barristers and Solicitors  
65 Queen Street W, Suite 1200  
Toronto, ON M5H 2M5

**Fred Tayar (23909N)**  
Tel: (416) 363-1800  
Fax: (416) 363-3356

Lawyers for Domfoam Inc.