

PROPOSED PLAN OF ALLOCATION: Net Settlement Fund
Re: FFP, Future Foam, FXI, Hickory Springs, Mohawk, and Woodbridge

This Net Settlement Fund consists of funds received from six separate defendants pursuant to the terms reached in six separate settlement agreements with FFP, Future Foam, FXI, Hickory Springs, Mohawk, and Woodbridge on March 24, 2015. Distributions will be made to eligible Class Members who timely submit valid Claim Forms by the Claims Deadline, as outlined in the Settlement Agreement(s) and pursuant to the terms of this Plan of Allocation, as described below. All definitions herein hold the same meaning as defined within the respective settlement agreement(s). To the extent there are any material differences in defined terms between Agreements, this Plan of Allocation shall apply individually to each Agreement according to its own definition of the “conflicting” defined term(s).

I. VALUE OF CLASS MEMBERS’ SHARE IN THIS NET SETTLEMENT FUND

A Class Member’s share of this Net Settlement Fund will depend on several factors, including (1) the number of valid claim forms received from eligible class members, (2) the number of valid requests to be excluded received from eligible class members and the total purchases represented by those exclusions; and (3) the total dollar amount of valid claimed purchases of Flexible Polyurethane Foam during the Class period of January 1, 1999 up to and including July 31, 2010 from all eligible Class Members.

II. LITIGATION COSTS

Prior to monetary awards being distributed to eligible class members, the following fees and expenses will be deducted from the settlement funds: (1) the Court-approved fees and expenses incurred by the attorneys representing the Settlement Classes, (2) the costs incurred by the claims administrator for analyzing and administering the claims, (3) the costs incurred by the claims administrator consisting of administering the Notice Program and settlement costs, (4) and monies paid to the Direct Purchaser Class Plaintiffs in the form of incentive awards.

III. DISTRIBUTION FROM THIS NET SETTLEMENT FUND TO ELIGIBLE CLASS MEMBERS: PRO RATA

A. After the litigation costs have been satisfied, funds will be distributed to eligible Class Members on a *pro rata* basis. Each eligible Class Member’s *pro rata* share of the fund will be determined by the dollar amount of direct purchases of Flexible Polyurethane Foam in the United States from any of the Defendants during the Class Period. While just one claim form will be used to file a claim to participate in one or more of the six settlements, awards within each Settlement Fund will be calculated separately using the provided claim form data. Shares will be calculated individually based on information from each Settlement Fund and the number of eligible and participating Class Members within each fund. Class Members’ *pro rata* shares of the six Settlement Funds shall be totaled into one single payment.

B. Determining Award Amount: An eligible Class Member’s award amount will be determined by (1) dividing each Settlement Fund by the total dollar amount of valid claimed purchases of Flexible Polyurethane Foam from participating Class Members during the Class Period, then (2) multiplying the resulting fraction by the amount of each participating Class Member’s eligible valid claimed purchases of Flexible Polyurethane Foam. The net amount of each Class Member’s individual *pro rata* share of each settling Defendant’s Settlement Fund shall then be distributed in the form of one combined payment.

C. Effect of Exclusion: If a Class Member has validly excluded itself from one or more Settlement Funds, that member’s net recovery will only include payment from the remaining Settlement Funds from

which it did not exclude itself. If there has been no valid exclusion made by a participating Class Member, the six settlement *pro rata* shares shall be totaled into one single payment.

D. Effect of Multiple Payments by Defendants: Pursuant to the terms of the six separate settlement agreements, Defendants have placed \$210.5 million to date in Defendant-specific Escrow Accounts. An additional payment of \$2.5 million from Hickory Springs will be deposited into the appropriate Escrow Account upon Final Approval, for a total of \$213 million available for an initial distribution to Class Members. Certain Defendants will also make an additional six payments for the benefit of the Settlement Classes pursuant to the terms of the Settlement Agreements. These include: 1) \$9 million from Woodbridge by November 15, 2015; 2) \$7 million from Hickory Springs by January 31, 2016; 3) \$7 million from Future Foam by March 20, 2016; 4) \$14 million from Woodbridge by November 15, 2016; 5) \$7 million from Hickory Springs by January 31, 2017; 6) \$18 million from Woodbridge by November 15, 2017. Additional payments will be made to Class Members pursuant to the same terms as above, when these additional funds are received.