

## **FOAMEX INTERNATIONAL INC.**

### **AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE**

#### **I. Purpose and Power**

The Audit Committee (the "Committee") of Foamex International Inc. (the "Company") has been established by the Board of Directors (the "Board") to assist the Board in discharging and performing its duties and responsibilities with respect to the financial affairs of the Company and its subsidiaries, affiliates and related parties (collectively, the "Group"), including the exercise of oversight with respect to:

- The identification, assessment and management of financial risks and uncertainties.
- The continuous improvement in financial systems.
- The integrity of financial statements and financial disclosures.
- The compliance with legal and regulatory requirements.
- The qualifications, independence and performance of the independent accountants.
- The capabilities, resources and performance of the internal audit department.
- The full and open communication with and among the independent accountants, management, counsel, employees, the Committee and the Board.

The Committee has the right to exercise any and all power and authority of the Board with respect to matters within the scope of this Charter, subject to the ultimate power and authority of the Board.

The Committee has the authority to conduct any and all investigations necessary or appropriate, to contact directly the independent accountants and other employees and advisors and require them to provide any and all information and advice it deems necessary or appropriate, and to retain legal, accounting or other advisors it deems necessary or appropriate.

The Committee has the authority to set aside for payment, pay and direct the payment of the independent accountants for their reviews and audits of financial statements and all other services as well as such legal, accounting and other advisors.

The independent accountants shall report directly to the Committee, and shall be accountable to the Committee and the Board, for their reviews and audits of financial statements and all other services.

#### **II. Composition**

The Committee shall be comprised of that number of directors (but not less than two) as may be determined from time to time by the Board. Each member of the Committee shall satisfy the independence, financial literacy and experience requirements of Section 10A of the Securities Exchange Act of 1934 and the rules promulgated thereunder and any other applicable regulatory requirements, including, but not limited to, the requirements that a member of the Committee may not, other than in his or her capacity as a member of the Committee, the Board or any other committee of the Board, (i) accept any consulting, advisory or other compensatory fee from the Group or (ii) be affiliated with the Group.

### **III.Meetings**

The Committee shall meet in regular sessions at least four times annually, and may meet more frequently as circumstances warrant. Committee members are expected to attend meetings and to spend the time needed to properly discharge their responsibilities.

The Committee shall meet periodically, but not less than annually, with management, the General Counsel and the independent accountants in separate executive sessions to discuss any matters that the Committee or any of them believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which there is a quorum shall be the act of the Committee.

### **IV.Procedures**

The Committee shall determine its meeting schedule, the agenda for each meeting, the information to be provided to it before or at each meeting and all other matters relating to the conduct of its meetings and other activities.

Prior to each meeting, an agenda for the meeting shall be distributed to each Committee member. Each Committee member is free to raise at any meetings subjects that are not on the agenda for that meeting.

Information that is important to understanding the business to be conducted at a meeting should generally be distributed to the Committee members three days (or, if that is not feasible, as soon as practicable) before the meeting, and Committee members should review these materials before the meeting.

It is the opinion of the Board that, subject to Section V below, the activities and procedures of the Committee should remain flexible so that it may appropriately respond to changing circumstances.

### **V.Primary Activities**

Without limiting the scope of the preceding provisions of this Charter, the Committee shall:

#### *A. Corporate Governance*

1. Report on its meetings, proceedings and other activities at each regularly scheduled meeting of the Board, to the extent appropriate.
2. Review and reassess the adequacy of this Charter at least annually. Submit changes to this Charter to the Board for approval.
3. Review and approve any proposed related party agreement that has not been otherwise approved by the Compensation Committee of the Board of Directors. A related party transaction is either (i) any transaction which must be disclosed in the Company's period filings with the U.S. Securities and Exchange Commission (the "SEC") under Item 404 of Regulation S-K, (ii) any transaction between or among the Company and any member of the Group's affiliates, directors, officers or family members or affiliates of such directors and officers, or (iii) any transaction between any member of the Group and any entity from which an affiliate, director or officer of a member of the Group, or a family member or affiliate of such director or officer, receives a payment, provided that, each such transaction involves an aggregate payment or consideration in excess of \$5,000.

4. Review the procedures for the receipt and retention of, and the response to, complaints received regarding accounting, internal control or auditing matters.
5. Review the procedures for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

*B. Public Reporting*

1. Review, prior to filing, all annual reports on Form 10-K and all quarterly reports on Form 10-Q, to be filed with the SEC. Discuss with management and the independent accountants, where practicable, prior to filing, the financial statements (including the notes thereto) and the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".
2. Review the Company's regular and special earnings releases and consider whether they are clear and understandable and fully disclose all information that is relevant to investors in forming a full and accurate picture of the Company's financial condition and prospects.
3. Prepare the report required by the SEC to be included in the Company's annual proxy statement and any other reports of the Committee required by applicable securities laws or stock exchange listing requirements or rules.

*C. Independent Accountants*

1. Select, retain, evaluate, compensate and, as appropriate, terminate and replace the independent accountants (and, notwithstanding the second paragraph in Section I, the Committee shall have the sole authority to take any such action).
2. Obtain and review, at least once annually, a report by the independent accountants describing (i) their internal quality control procedures, (ii) any material issues raised by the most recent internal quality control review or peer review or by any inquiry or investigation by any governmental or professional authority within the preceding five years, in each case with respect to one or more independent audits carried out by them, (iii) all material steps taken to deal with any such issues and (iv) all relationships between them and the Group.
3. Review annually the independence of the independent accountants by (i) receiving from the independent accountants a formal written statement delineating all relationships between the independent accountants and the Group in accordance with ISB No. 1, (ii) discuss with the independent accountants all disclosed relationships between the independent accountants and the Group and all other disclosed relationships that may impact the objectivity and independence of the independent accountants and (iii) discussing with management its evaluation of the independence of the independent accountants.
4. Obtain from the independent accountants assurance that the lead audit partner and the audit partner responsible for reviewing the audit have been and will be rotated at least once every five years and each other audit partner has been and will be rotated at least once every seven years, in each case, in accordance with Section 10A of the Securities Exchange Act of 1934 and the rules promulgated thereunder.
5. Review and approve, prior to commencement, all audit, review or attest services (including comfort letters in connection with securities underwritings and tax services) and all non-audit services to be provided by the independent accountants as permitted by Section 10A of the Securities Exchange Act of 1934 and the rules promulgated thereunder, and, in connection therewith, the terms of engagement. The Committee may designate one member to approve such non-audit services, but that member must inform the Committee

of the approval at the next meeting of the Committee. All such approvals and procedures must be disclosed in periodic reports filed with the SEC.

6. Review and approve all compensation to the independent accountants for all audit and non-audit services.
7. Review regularly with the independent accountants any audit problems or difficulties and management's response, including restrictions on the scope of activities of the independent accountants or access by the independent accountants to requested information, and significant disagreements between the independent accountants and management.
8. Present conclusions with respect to the independent accountants to the Board.

*D. Internal Audit Function and Internal Controls*

1. Review, based upon the recommendation of the independent auditors and the chief internal auditor, the scope and plan of the work to be done by the internal audit group and the responsibilities, budget and staffing needs of the internal audit group.
2. Review and approve the appointment, performance and replacement of the Company's chief internal auditor.
3. Review on an annual basis the performance of the internal audit group.
4. In consultation with the independent auditors and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to insure compliance with laws and regulations, and any special audit steps adopted in light of material deficiencies and controls.
5. Review (i) the internal control report prepared by management, including management's assessment of the effectiveness of the design and operation of the Company's internal control structure and procedures for financial reporting, as well as the Company's disclosure controls and procedures, with respect to each annual and quarterly report that the Company is required to file under the Securities Exchange Act of 1934 and (ii) the independent auditors' attestation, and report, on the assessment made by management.

*E. Audits and Accounting*

1. Review with the independent accountants annually the plan, scope, staffing and timing of their audit.
2. After completion of the audit of the financial statements, review with management and the independent accountants the audit report, the management letter relating to the audit report, all significant questions (resolved or unresolved) that arose and all significant difficulties that were encountered during the audit, the disposition of all audit adjustments identified by the independent accountants, all significant financial reporting issues encountered and judgments made during the course of the audit (including the effect of different assumptions and estimates on the financial statements) and the cooperation afforded or limitations (including restrictions on scope or access), if any, imposed by management on the conduct of the audit.
3. Review with management and the independent accountants, at least annually, (i) all critical accounting policies and practices, (ii) all significant accounting estimates, (iii) all significant off balance sheet financing arrangements and their effect on the financial statements, (iv) all significant valuation allowances and liability, restructuring and other reserves, (v) the effect of regulatory and accounting initiatives, and (vi) the adequacy of financial reporting.

4. Review with management and the independent accountants all reports delivered by the independent accountants in accordance with Section 10A(k) of the Securities Exchange Act of 1934 with respect to critical accounting policies and practices used, alternative treatments of financial information available under GAAP and other written communications (including letters under SAS No. 50) between the independent accountants and management, together with their ramifications and the preferred treatment by the independent accountants.
5. Review all items required to be communicated by the independent accountants in accordance with SAS No. 61.
6. Review with management and the independent accountants at least once annually all correspondence with regulatory authorities and all employee complaints or published reports that raise material issues regarding the financial statements or accounting policies.

*F. Risk Assessment*

1. Review with management and the independent accountants market, operational and financial risk assessment and management policies and practices, including related corporate approval requirements and internal auditing systems and initiatives to minimize such risks.
2. Review with the General Counsel all legal matters that may have a significant impact on financial condition or performance.
3. Review contingencies which could reasonably be expected to have significant impact on financial performance or condition.

*G. Other*

1. Review and approve (a) any amendment or waiver in the Company's code of ethics for the chief executive officer or senior financial officers and (b) any public disclosure made regarding such amendment or waiver.
2. Review policies for hiring of current or former partners, principals, shareholders or professional employees of the independent accountants who were engaged on the Company's account.
3. Perform any other activities consistent with this Charter as the Committee or the Board of Directors deems necessary or appropriate.

**28. Limitations.**

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

Adopted: March 27, 2007