

Owens Corning
Form 424B3
February 21, 2007

Prospectus filed under Rule 424(b)(3)

Registration No. 333-136363

OWENS CORNING
109,460,808 Shares of Common Stock

Prospectus Supplement No. 2, dated February 21, 2007

(To Prospectus dated December 8, 2006)

This prospectus supplement to the prospectus dated December 8, 2006, relates to the registration of 109,460,808 shares of our common stock, par value \$0.01 per share, which may be offered for sale from time to time by the selling stockholders named in this prospectus supplement. This prospectus supplement contains our Current Report on Form 8-K, dated February 21, 2007, which was filed with the Securities and Exchange Commission on February 21, 2007.

This prospectus supplement supplements information contained in the prospectus dated December 8, 2006. This prospectus supplement should be read in conjunction with the prospectus dated December 8, 2006 and any amendments or supplements thereto, including the supplement dated January 10, 2007, which are to be delivered with this prospectus supplement. This prospectus supplement is qualified by reference to the prospectus, except to the extent that the information in this prospectus supplement updates or supersedes the information contained in the prospectus dated December 8, 2006, and any amendments or supplements thereto, including the supplement dated January 10, 2007.

This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the prospectus dated December 8, 2006, and any amendments or supplements thereto, including the supplement dated January 10, 2007.

An investment in our common stock involves risk. See Risk Factors beginning on page 19 of the prospectus dated December 8, 2006.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved any of these securities or determined if this prospectus supplement is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement is February 21, 2007.

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1) The Selling Stockholder table on pages 115 to 119 of the Prospectus dated December 8, 2006, is updated with the following entry:

Name of Selling Stockholder	Number of Shares of Common Stock Beneficially Owned	Maximum Number of Shares of Common Stock That May Be Offered By This Prospectus	Percentage of Shares of Common Stock Beneficially Owned	
			Before Offering	If Maximum Number of Shares Offered are Sold
Camulos Master Fund LP	150,000	150,000	*	*

* Represents less than 1%

2) On February [21], 2007, we filed the following current report on Form 8-K with the Securities and Exchange Commission:

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington D.C., 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date Of Report (Date Of Earliest Event Reported): 2/20/2007

Owens Corning

(Exact Name of Registrant as Specified in its Charter)

Commission File Number: 1-33100

DE
(State or Other Jurisdiction of
Incorporation or Organization)

43-2109021
(I.R.S. Employer
Identification No.)

One Owens Corning Parkway, Toledo, OH 43659

(Address of Principal Executive Offices, Including Zip Code)

419-248-8000

(Registrant's Telephone Number, Including Area Code)

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Items to be Included in this Report

Item 1.01. Entry into a Material Definitive Agreement.

On February 20, 2007, Owens Corning and Saint-Gobain announced that they have entered into agreements to form a global joint venture to develop, manufacture, market, sell and distribute glass reinforcements products. The new entity will be called OCV Reinforcements S.P.R.L.

Pursuant to the terms of a Master Contribution Agreement, each of Owens Corning and Saint-Gobain are contributing to the joint venture their worldwide glass reinforcements businesses, including plant, property and equipment, working capital, contractual arrangements, customers and intellectual property. In exchange for their contributions, Owens Corning will receive 60% of the voting and economic interests in the joint venture and Saint-Gobain will receive 40% of the voting and economic interests in the joint venture. The joint venture will be consolidated on the financial statements of Owens Corning.

Pursuant to the terms of a Joint Venture Agreement, the joint venture structure consists of two entities, a management company and an operating company. The management company serves as the manager of the joint venture, with the board of directors of the management company directing the operating company's operations. Owens Corning will appoint three members of the management company's board of directors and Saint-Gobain will appoint two members of the management company's board of directors. Charles E. Dana, the President of Owens Corning's Composite Solutions business, will be the President and CEO of the joint venture and will remain President of the Composite Solutions business.

Pursuant to the terms of an Option Agreement, an indirect, wholly owned subsidiary of Owens Corning has the right to acquire Saint-Gobain's interest in the joint venture at any time after the 48 month anniversary of the closing of the joint venture. Further, Saint-Gobain has the right to sell its interest in the joint venture to such subsidiary at any time after the 48 month anniversary of the closing of the joint venture. The purchase price for Saint-Gobain's interest will be determined pursuant to a formula set forth in the Option Agreement representing, among other things, a multiple of the average earnings before interest, taxes, depreciation and amortization of the joint venture during the up to 5 year period preceding the purchase and sale of Saint-Gobain's interest in the joint venture.

The closing of the joint venture is subject to satisfaction of certain conditions, including the receipt of regulatory approvals and consents. It is expected that the joint venture will close in mid-2007. The descriptions of the Master Contribution Agreement, the Joint Venture Agreement and the Option Agreement do not purport to be complete and are qualified in their entirety by reference to the Master Contribution Agreement, the Joint Venture Agreement and the Option Agreement, copies of which are filed as Exhibits 10.1, 10.2 and 10.3, respectively, and are incorporated by reference herein.

Item 2.02. Results of Operations and Financial Condition.

On February 21, 2007, Owens Corning issued an earnings release announcing its financial results for the quarter and year ended December 31, 2006. A copy of the earnings release is attached as Exhibit 99.1. Exhibit 99.1 contains certain financial measures that are considered non-GAAP financial measures as defined in Securities and Exchange Commission rules. Exhibit 99.1 also contains the reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles.

The information in Item 2.02 of this Current Report is being furnished and shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 2.02 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 8.01. Other Events.

On February 21, 2007, Owens Corning announced that its Board of Directors has approved a share buy-back program to repurchase up to 5% of Owens Corning's outstanding common stock. The stock repurchase program authorizes Owens Corning to repurchase shares through open market, privately negotiated, or other transactions. The timing and actual number of shares repurchased will depend on market conditions and other factors and will be at Owens Corning's discretion.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Master Contribution Agreement, dated February 20, 2007.
10.2	Joint Venture Agreement, dated February 20, 2007.
10.3	Option Agreement, dated February 20, 2007.
99.1	Press Release, dated February 21, 2007.

SIGNATURE

Pursuant to the Requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the Undersigned hereunto duly authorized.

Owens Corning

Date: February 21, 2007

By: /s/ Stephen K. Krull
Stephen K. Krull
Senior Vice President, General
Counsel and Secretary

EXHIBIT INDEX

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10.3	Option Agreement, dated February 20, 2007.
99.1	Press Release, dated February 21, 2007.

MASTER CONTRIBUTION AGREEMENT

Dated as of February 20, 2007

By and Among

OWENS CORNING,

OWENS CORNING COMPOSITE COÖPERATIEF U.A.,

SOCIÉTÉ DE PARTICIPATIONS FINANCIÈRES ET INDUSTRIELLES S.A.S.

ONDATRA S.A.S.

and

A BELGIAN SOCIÉTÉ PRIVÉE À RESPONSABILITÉ LIMITÉE TO BE FORMED

TABLE OF CONTENTS

	Page
ARTICLE I	1
DEFINITIONS	1
Section 1.01	1
Definitions	1
ARTICLE II	2
PRE-CLOSING TRANSACTIONS	2
Section 2.01	2
Company Joinder	2
Section 2.02	2
Owens Corning Pre-Closing Reorganization	2
Section 2.03	2
Saint-Gobain Pre-Closing Reorganization	2
Section 2.04	3
Reorganization of Excluded Assets	3
ARTICLE III	3
TRANSACTIONS AND CLOSING	3
Section 3.01	3
Closing Transactions	3
Section 3.02	4
Closing	4
Section 3.03	4
Value of Contributed Businesses	4
Section 3.04	4
Net Working Capital/Net Debt Amounts	4
Section 3.05	7
Shareholder Loans	7
Section 3.06	8
Assignment of Contracts and Rights	8
ARTICLE IV	9
REPRESENTATIONS AND WARRANTIES	9
Section 4.01	9
Representations and Warranties of Owens Corning	9
Section 4.02	27
Representations and Warranties of Saint-Gobain	27
ARTICLE V	46
COVENANTS AND AGREEMENTS OF THE PARTIES	46
Section 5.01	46
Conduct of Businesses	46
Section 5.02	47
Conduct of Business of the Company	47
Section 5.03	47
Access to Information; Confidentiality	47
Section 5.04	48
Provision and Preservation of and Access to Certain Information; Cooperation After Closing	48
Section 5.05	50
Insurance	50
Section 5.06	51
Non-Hire and Nonsolicitation of Certain Employees in the Business	51
Section 5.07	51
Financial Support Arrangements	51
Section 5.08	52
Company Financing	52
Section 5.09	52
Competitive Businesses	52
Section 5.10	52
Certain Intellectual Property Matters	52

TABLE OF CONTENTS

(continued)

	Page
Section 5.11	Financial Statements 56
ARTICLE VI	FURTHER COVENANTS AND AGREEMENTS OF THE PARTIES 56
Section 6.01	Further Assurances 56
Section 6.02	Certain Filings; Consents 57
Section 6.03	Public Announcements 57
Section 6.04	Antitrust or Competition Law Matters 58
Section 6.05	Agreements Regarding Tax Matters 59
Section 6.06	Administration of Accounts 62
Section 6.07	Undisclosed Contracts 62
Section 6.08	No Transfer or Assumption of Asbestos Liabilities 62
Section 6.09	Affiliate Agreements 62
Section 6.10	Disclosure of Missing Documents 62
ARTICLE VII I	NTENTIONALLY OMITTED 63
ARTICLE VIII	EMPLOYEE AND EMPLOYEE BENEFIT MATTERS 63
Section 8.01	Employee and Employee Benefit Matters 63
Section 8.02	Allocation of Pre-Closing Employment Liability 65
Section 8.03	Allocation of Post-Closing Employment Liability 66
Section 8.04	Allocation of Retirement Benefit Liabilities 66
Section 8.05	Allocation of Risk Benefit Liabilities 69
Section 8.06	Employees Consultation and Notification 69
Section 8.07	Cooperation and Assistance 70
Section 8.08	Seconded Employees 71
Section 8.09	Layoffs 71
Section 8.10	Key Employees 71
Section 8.11	No Third-Party Beneficiaries 72
ARTICLE IX	REAL PROPERTY AND RELATED MATTERS 72
Section 9.01	Certain Real Property and Related Matters 72
ARTICLE X	CONDITIONS TO CLOSING 72
Section 10.01	Conditions to Obligations of Each Party (other than the Company) 72

TABLE OF CONTENTS

(continued)

	Page
Section 10.02	73
Section 10.03	73
Section 10.04	74
ARTICLE XI	75
Section 11.01	75
Section 11.02	76
Section 11.03	77
Section 11.04	79
Section 11.05	81
ARTICLE XII	82
Section 12.01	82
Section 12.02	82
Section 12.03	83
ARTICLE XIII	83
Section 13.01	83
Section 13.02	85
Section 13.03	85
Section 13.04	85
Section 13.05	86
Section 13.06	86
Section 13.07	86
Section 13.08	87
Section 13.09	87
Section 13.10	87
Section 13.11	88
Section 13.12	88
Section 13.13	88
Section 13.14	88
Section 13.15	89
Section 13.16	89
Section 13.17	89

LIST OF EXHIBITS

Exhibit A	Definitions
Exhibit B	Form of Joinder
Exhibit C	Owens Corning Reorganization Steps
Exhibit D	Saint-Gobain Reorganization Steps
Exhibit E	OC Financial Statements
Exhibit F	SG Financial Statements
Exhibit G-1	Saint-Gobain Trademarks and Designs to be Discontinued
Exhibit G-2	Saint-Gobain Invention Disclosure Records, <i>enveloppes Soleau</i> and Unpublished Patent Applications
Exhibit G-3	Owens Corning Invention Disclosure Records, <i>enveloppes Soleau</i> and Unpublished Patent Applications
Exhibit G-4	Saint-Gobain Joint Development Agreements
Exhibit G-5	Owens Corning Legal Opinions
Exhibit G-6	Saint-Gobain Legal Opinions
Exhibit G-7	Saint-Gobain Restricted Patents
Exhibit G-8	Prohibition on Certain Patent Applications
Exhibit H	Intentionally Omitted
Exhibit I	Intentionally Omitted
Exhibit J	Form of Asbestos Guaranty
Exhibit K	Form of Asbestos Indemnity Agreement
Exhibit L	Categories of Know How
Exhibit M	Copies of OC Intellectual Property License Agreements
Exhibit N-1	Form of SG Intellectual Property License Agreements (US IP Holdco)
Exhibit N-2	Form of SG Intellectual Property License Agreements (Non-US IP Holdco)

MASTER CONTRIBUTION AGREEMENT

This Master Contribution Agreement (together with the Exhibits and Schedules attached hereto, this Agreement) is made as of the ²⁰day of February, 2007, by and among Owens Corning, a corporation organized under the laws of Delaware (Owens Corning), Owens Corning Composite Coöperatief U.A. (OC Topco), a company organized under the laws of The Netherlands and a wholly-owned subsidiary of Owens Corning and its Subsidiaries, Société de Participations Financières et Industrielles S.A.S., a company organized under the laws of France (Saint-Gobain), Ondatra S.A.S. (SG Topco), a *société par actions simplifiée* organized under the laws of France and a wholly-owned subsidiary of Saint-Gobain and its Subsidiaries, and, subject to Section 2.01 hereof, a *société privée à responsabilité limitée* to be organized under the laws of Belgium (the Company). Owens Corning and Saint-Gobain are sometimes referred to herein individually as a Parent or collectively as the Parents. The Parents, OC Topco, SG Topco and, following the execution of the Joinder, the Company are sometimes referred to herein individually as a Party or collectively as the Parties .

WITNESSETH:

WHEREAS, each of the Parents, among other things, is, directly and indirectly through its Affiliates, engaged in the Business;

WHEREAS, the Parents have concluded that the formation of a joint venture to own and operate the combined Business of the Parents would improve development, production and distribution of the Company Products;

WHEREAS, contemporaneously with the execution and delivery of this Agreement OC Topco and SG Topco are executing that certain Joint Venture Agreement (the Joint Venture Agreement), which provides for, among other things, the rights and obligations of OC Topco and SG Topco with respect to the formation and management of the Company;

WHEREAS, in furtherance of the objectives set forth above, the Parties desire to enter into this Agreement and the other Transaction Documents;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the Parties contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used in this Agreement shall have the meanings specified in Exhibit A or elsewhere in this Agreement.

ARTICLE II

PRE-CLOSING TRANSACTIONS

Section 2.01 Company Joinder. Following the formation of the Company in accordance with the terms of the Joint Venture Agreement and before the Closing Date, OC Topco and SG Topco shall cause the Company to execute a joinder to this Agreement as a Party hereto in the form attached hereto as Exhibit B (the Joinder).

Section 2.02 Owens Corning Pre-Closing Reorganization.

(a) Owens Corning shall take all actions necessary to effectuate a corporate reorganization, substantially in accordance with the steps outlined on Exhibit C attached hereto, such that immediately prior to the Closing, all OC Contributed Subsidiaries and all ownership interests of OC Existing JVs held by Owens Corning or its Subsidiaries will be held by OC Topco and/or direct or indirect Subsidiaries of OC Topco which are exclusively engaged in Owens Corning's Business and all OC Employees and all OC Contributed Assets and related OC Assumed Liabilities will be held (or employed, as applicable) by OC Contributed Subsidiaries. In connection with the foregoing, with respect to OC Contributed Assets, prior to the Closing Date, Owens Corning shall, and shall cause its Asset Transferors to (i) contribute all OC Contributed Assets located in the United States (if any) to a newly formed or existing direct or indirect wholly-owned Subsidiary of Owens Corning, which shall engage exclusively in Owens Corning's Business (such Subsidiary to be a partnership or disregarded entity for United States federal income tax purposes), and the ownership of such Subsidiary shall thereafter be reorganized such that immediately prior to the Closing it shall be a direct or indirect wholly-owned Subsidiary of OC Topco and (ii) contribute all OC Contributed Assets located outside the United States (if any) to newly formed or existing, direct or indirect, Subsidiaries of Owens Corning organized in the jurisdiction of the location of such assets which are or shall be engaged exclusively in Owens Corning's Business and the ownership of such Subsidiaries shall thereafter be reorganized such that immediately prior to the Closing they shall be direct or indirect wholly-owned Subsidiaries of OC Topco (each such Subsidiary to be a partnership or disregarded entity for United States federal income tax purposes, except any such Subsidiary for which an election to be so treated is not then permitted and which is subject to the procedures provided in the last sentence of Section 6.05(c) of this Agreement). In no event shall Owens Corning deviate from the steps outlined on Exhibit C to the extent that the aggregate effect of all such deviations shall have an adverse impact which is material on Saint-Gobain or the Company.

(b) In connection with the asset contribution of OC Contributed Assets described in clause (a), the applicable Subsidiaries receiving such contributions (the OC Reorganized Subsidiaries) shall assume and agree to pay, satisfy and discharge the OC Assumed Liabilities exclusively related to the OC Contributed Assets it received pursuant to clause (a).

Section 2.03 Saint-Gobain Pre-Closing Reorganization.

(a) Saint-Gobain shall take or cause to be taken all actions necessary to effectuate a corporate reorganization, substantially in accordance with the steps outlined on Exhibit D attached hereto, such that immediately prior to the Closing, all SG Contributed

Subsidiaries and all ownership interests of SG Existing JVs held by Saint-Gobain or its Affiliates will be held by SG Topco and/or direct or indirect Subsidiaries of SG Topco which are exclusively engaged in Saint-Gobain's Business and all SG Employees and all SG Contributed Assets and related SG Assumed Liabilities will be held (or employed, as applicable) by SG Contributed Subsidiaries. In connection with the foregoing, with respect to SG Contributed Assets, prior to the Closing Date, Saint-Gobain shall, and shall cause its Asset Transferors to (i) contribute all SG Contributed Assets located in the United States (if any) to a newly formed or existing direct or indirect wholly-owned Subsidiary of Saint-Gobain, which shall engage exclusively in Saint-Gobain's Business (such Subsidiary to be a partnership or disregarded entity for United States federal income tax purposes) and the ownership of such Subsidiary shall thereafter be reorganized such that immediately prior to the Closing it shall be a direct or indirect wholly-owned Subsidiary of SG Topco and (ii) contribute all SG Contributed Assets located outside the United States (if any) to newly formed or existing, direct or indirect, Subsidiaries of Saint-Gobain organized in the jurisdiction of the location of such assets which are or shall be engaged exclusively in Saint-Gobain's Business and the ownership of such Subsidiaries shall thereafter be reorganized such that immediately prior to the Closing they shall be direct or indirect wholly-owned Subsidiaries of SG Topco (each such Subsidiary to be a partnership or disregarded entity for United States federal income tax purposes, except any such Subsidiary for which an election to be so treated is not then permitted and which is subject to the procedures provided in the last sentence of Section 6.05(c) of this Agreement). In no event shall Saint-Gobain deviate from the steps outlined on Exhibit D to the extent that the aggregate effect of all such deviations shall have an adverse impact which is material on Owens Corning or the Company

(b) In connection with the contribution of SG Contributed Assets described in clause (a), the applicable Subsidiaries receiving such contributions (the SG Reorganized Subsidiaries) shall assume and agree to pay, satisfy and discharge the SG Assumed Liabilities exclusively related to the SG Contributed Assets it received pursuant to clause (a).

Section 2.04 Reorganization of Excluded Assets. Notwithstanding any other provision in this Agreement to the contrary, the Parties expressly understand and agree that the OC Excluded Assets and the SG Excluded Assets shall be retained by Owens Corning (and/or its Subsidiaries other than the OC Contributed Subsidiaries) or Saint-Gobain (and/or its Affiliates other than the SG Contributed Subsidiaries), as applicable, and, as applicable, shall be (a) excluded from the OC Contributed Assets and transferred out of the OC Contributed Subsidiaries prior to the Closing and (b) excluded from the SG Contributed Assets and transferred out of the SG Contributed Subsidiaries prior to the Closing.

ARTICLE III

TRANSACTIONS AND CLOSING

Section 3.01 Closing Transactions. Upon the terms and conditions set forth in this Agreement and the other Transaction Documents, the Parties agree that at the Closing, among other things:

(a) OC Topco shall contribute the ownership interests of the OC Contributed Subsidiaries and OC Existing JVs held by OC Topco (or, where OC Topco holds such interests indirectly, the Subsidiaries which hold, directly or indirectly, the ownership interests of the OC Contributed Subsidiaries) to the Company in exchange for 60% of the Ownership Interests in the Company which shall be issued in the name of and delivered to OC Topco (it being agreed by the parties that neither the results of any due diligence by Owens Corning after the date hereof nor any breach of any warranty, representation or covenant made by Saint-Gobain in this Agreement or any other Transaction Document shall result in any modification of the parties relative Ownership Interests in the Company as set forth herein);

(b) SG Topco shall contribute the ownership interests of the SG Contributed Subsidiaries and SG Existing JVs held by SG Topco (or, where SG Topco holds such interests indirectly, the Subsidiaries and SG Existing JVs which hold, directly or indirectly, the ownership interests of the SG Contributed Subsidiaries) to the Company in exchange for 40% of the Ownership Interests in the Company which shall be issued in the name of and delivered to SG Topco (it being agreed by the parties that neither the results of any due diligence by Saint Gobain after the date hereof nor any breach of any warranty, representation or covenant made by Owens Corning in this Agreement or any other Transaction Document shall result in any modification of the parties relative Ownership Interests in the Company as set forth herein);

(c) the Parties shall execute and deliver, and shall cause their respective Affiliates to execute and deliver, as applicable, the Transaction Documents.

Section 3.02 Closing. The closing (the Closing) of the Contemplated Transactions shall, unless otherwise agreed by the Parties, take place at the offices of Cleary, Gottlieb, Steen & Hamilton LLP in Brussels, at 10:00 a.m. Central European Time Zone on the first day of the month following the month in which all conditions to the Closing set forth in Article X have been satisfied or waived (by the Party entitled to waive the condition), unless all such conditions are fulfilled less than five (5) Business Days before the first day of the relevant month, in which case the Closing Date shall be the first day of the next succeeding month, unless otherwise agreed; provided, in each case, that if such first day is not a Business Day, the Closing shall take place on the Business Day immediately following but shall be effective on such first day. The Closing will become effective at 12:01 a.m., Central European Time Zone on the Closing Date.

Section 3.03 Value of Contributed Businesses. The Parties acknowledge that the fair market value of their combined Businesses is USD1,505,000,000 based on the Business Plan (as that term is defined in the Joint Venture Agreement) and that the value of Owens Corning's Business and Saint-Gobain's Business is equal to 60% and 40% of the combined value, respectively.

Section 3.04 Net Working Capital/Net Debt Amounts.

(a) Promptly following the Closing Date, but in no event later than 90 days after the Closing Date, each Parent shall, at its expense and with the assistance of the Company, prepare and submit to the Company, the other Parent and the Review Firm (i) the unaudited consolidating balance sheet of its Business to be included in the Joint Venture as of the close of business on the day prior to the Closing Date (prepared in all material respects in accordance

with U.S. GAAP (in the case of Owens Corning) or IFRS (in the case of Saint-Gobain), presenting fairly, in all material respects, the assets, liabilities, financial condition and the results of operation of such Business and, to the extent not in conflict with U.S. GAAP or IFRS as appropriate, prepared in accordance with the accounting principles, policies, practices, methods and procedures used in calculating such Parent's Reference Date Balance Sheet) and applied on a consistent basis and (ii) a statement setting forth, in reasonable detail, such Parent's calculation of (x) its Net Working Capital (as to each Parent, its Proposed Adjusted Net Working Capital Amount) and (y) its Net Debt (as to each Parent, its Proposed Adjusted Net Debt Amount), in each case as of the close of business on the day prior to the Closing Date. The Review Firm shall have 45 days following such submission to review the consolidating balance sheets solely for the purpose of providing an agreed upon procedures opinion in respect of the Proposed Adjusted Net Working Capital Amount and the proposed Adjusted Net Debt Amount, which procedures shall be agreed by the Parents in respect of the Proposed Adjusted Net Working Capital Amount and the Proposed Adjusted Net Debt Amount, which shall be submitted to the Parents on the 45th day following submission to the Review Firm. In the event a Parent disputes the correctness of the other Parent's Proposed Adjusted Net Working Capital Amount and/or Proposed Adjusted Net Debt Amount, such Parent shall notify the other Parent in writing of its objections within 30 days after receipt of the Review Firm's opinion and shall set forth, in writing and in reasonable detail, the reasons for its objections. To be assertable, an objection by a Parent with respect to any individual item in respect of the other Parent's Proposed Adjusted Net Working Capital Amount (it being understood that, for purposes of clarification and not by way of limitation, a method of valuation or the application of an accounting principle used in the preparation of a Parent's Proposed Adjusted Net Working Capital Amount shall be deemed a separate item for purposes of this Section 3.04(a)) (i) must assert that the item was not prepared in accordance with Section 3.04(b); (ii) must set forth such objecting Parent's determination of the value for such item (provided that the other Parent shall have made available sufficient information to make such determination of value), and (iii) the difference in the Parent's determination of all items disputed must exceed USD 100,000 in the aggregate. To the extent a Parent does not so object, in writing and in reasonable detail as required and within the time period contemplated by this Section 3.04(a), each Parent shall be deemed to have accepted the other Parent's calculation and presentation in respect of the matters not subject to objection and such matters shall not be considered to be in dispute. The Parents shall endeavor in good faith to resolve any disputed matters within 15 days after the date on which the last notice of objections was delivered to a Parent. If the Parents are unable to resolve the disputed matters, they shall engage Grant Thornton LLP, London office or, in the event Grant Thornton LLP is conflicted, an internationally known independent accounting firm reasonably acceptable to each Parent (Grant Thornton LLP or such other accounting firm, as the case may be, the Unaffiliated Firm), to resolve the matters in dispute (in accordance with Section 3.04(b) and consistent, to the extent possible, with any matters not in dispute). The Parents shall jointly engage the Unaffiliated Firm. Promptly after such engagement of the Unaffiliated Firm, the Parents will provide the Unaffiliated Firm with a copy of this Agreement, the Financial Statements, the statements of Proposed Adjusted Net Working Capital Amounts and/or Proposed Adjusted Net Debt Amounts, as applicable, and any written notices of objections related thereto. Each Parent shall deliver to the Unaffiliated Firm a written submission of its position with respect to the matters in dispute, which submissions shall be delivered by each Parent to the Unaffiliated Firm and to the other Parent simultaneously within 15 days of the engagement of

such Unaffiliated Firm. Each Parent shall thereafter be entitled to submit a rebuttal to the other Parent's submission, which rebuttals shall be delivered to the Unaffiliated Firm and to the other Parent simultaneously within 30 days of the delivery of the Parents' initial submissions. The Unaffiliated Firm may request additional information from either Parent, but absent such a request neither Parent may make (nor permit any of its Affiliates or Representatives to make) any additional submission to the Unaffiliated Firm or otherwise communicate with the Unaffiliated Firm, and in no event will either Parent (i) communicate (or permit any of its Affiliates or Representatives to communicate) with the Unaffiliated Firm without providing the other Parent a reasonable opportunity to participate in such communication or (ii) make (or permit any of its Affiliates or Representatives to make) a written submission to the Unaffiliated Firm unless a copy of such submission is simultaneously provided to the other Parent. Either Parent may make a written request for a hearing with the Unaffiliated Firm by delivering notice to the other Parent and the Unaffiliated Firm within 15 days after the submission of rebuttals by the Parents. Within 30 days of such written request, the Unaffiliated Firm shall hold a joint hearing, in person or by teleconference, at which each Parent shall be entitled to make an oral presentation and rebuttal. The Unaffiliated Firm shall have 30 days from the date of such hearing (or, if no such hearing is requested, from the date of submission of written rebuttals) to review the documents provided to it pursuant to this Section 3.04(a) and deliver its written determination with respect to each of the adjustments in dispute submitted to it for resolution. The Unaffiliated Firm shall resolve the differences regarding the statements of Proposed Adjusted Net Working Capital Amounts and/or Proposed Adjusted Net Debt Amounts based solely on the information provided to the Unaffiliated Firm by the Parents pursuant to the terms of this Agreement (and not by independent review). The Unaffiliated Firm's authority will be limited to resolving disputes with respect to whether the statements of Proposed Adjusted Net Working Capital Amounts were prepared in accordance with the terms of Section 3.04(b) with respect to the individual items on the statements of Proposed Adjusted Net Working Capital Amounts in dispute (it being understood that the Unaffiliated Firm will have no authority to make any adjustments to any Financial Statements or amounts other than the statements of Proposed Adjusted Net Working Capital Amounts and/or Proposed Adjusted Net Debt Amounts and amounts set forth therein that are in dispute). In resolving any disputed item with a positive value, the Unaffiliated Firm may not assign a value to such item greater than the greatest value for such item asserted by either Parent or, in respect of items with a negative value, less than the smallest value for such item asserted by either Parent. The determination of the Unaffiliated Firm in respect of the correctness of each matter remaining in dispute in accordance with this Section 3.04(a) shall be conclusive and binding, in the absence of fraud or manifest error, on the Parents and judgment may be entered thereon as an arbitration award in any court of competent jurisdiction. Each Parent's Net Working Capital as of the close of business on the day prior to the Closing Date, as finally determined pursuant to this Section 3.04(a), is referred to herein as the Adjusted Net Working Capital Amount of such Parent's Business. Each Parent's Net Debt as of the close of business on the day prior to the Closing Date, as finally determined pursuant to this Section 3.04(a), is referred to herein as the Adjusted Net Debt Amount of such Parent's Business.

(b) Each Parent's Proposed Adjusted Net Working Capital Amount shall be determined in accordance with the accounting principles, policies, practices, methods and procedures used in calculating such Parent's Working Capital Threshold Amount; for the

avoidance of doubt, any impact of fresh start accounting in connection with Owens Corning's emergence from bankruptcy shall be eliminated.

(c) Subject to any applicable privileges (including the attorney-client privilege), each Parent shall make available to the other and, upon reasonable request, to the Unaffiliated Firm, the books, records, documents and work papers underlying the preparation of such Parent's Financial Statements and the calculations of such Parent's Proposed Adjusted Net Working Capital Amount and Proposed Adjusted Net Debt Amount and the relevant personnel of such Parent.

(d) The fees and expenses, if any, of the Unaffiliated Firm shall be shared by the Parents in inverse proportion to their respective success on the merits and such allocation of fees and expenses shall be calculated by the Unaffiliated Firm and shall be conclusive and binding on the Parents.

Section 3.05 Shareholder Loans.

(a) If the OC Total Adjustment, as finally determined, is negative, then on the Adjustment Closing Date OC Topco shall make a loan to the Company, which shall be subordinated to all other obligations of the Company, in the amount of the OC Total Adjustment as if such amount was a positive number (the OC Shortfall Shareholder Loan). The OC Shortfall Shareholder Loan shall bear interest from the date of the Closing Date until repayment in full at a rate equal to LIBOR plus 30 basis points. The OC Shortfall Shareholder Loan, including all interest accruing thereon, shall be payable on demand; provided that demand shall only be made after the Exit Date.

(b) If the OC Total Adjustment, as finally determined, is positive, then on the Adjustment Closing Date the Company shall make a loan to OC Topco in the amount of the OC Total Adjustment (the OC Excess Shareholder Loan). Each OC Excess Shareholder Loan shall bear interest from the date of the Closing Date until repayment in full at a rate equal to LIBOR plus 30 basis points. The OC Excess Shareholder Loan, including all interest accruing thereon, shall be payable on demand; provided that demand shall only be made after the Exit Date.

(c) If the SG Total Adjustment, as finally determined, is negative, then on the Adjustment Closing Date SG Topco shall make a loan to the Company, which shall be subordinated to all other obligations of the Company, in the amount of the SG Total Adjustment as if such amount was a positive number (the SG Shortfall Shareholder Loan). The SG Shortfall Shareholder Loan shall bear interest from the date of the Closing Date until repayment in full at a rate equal to LIBOR plus 30 basis points. The SG Shortfall Shareholder Loan, including all interest accruing thereon, shall be payable on demand; provided that demand shall only be made after the Exit Date.

(d) If the SG Total Adjustment, as finally determined, is positive, then on the Adjustment Closing Date the Company shall make a loan to SG Topco in the amount of the SG Total Adjustment (the SG Excess Shareholder Loan). Each SG Excess Shareholder Loan shall bear interest from the date of the Closing Date until repayment in full at a rate equal to LIBOR

plus 30 basis points. The SG Excess Shareholder Loan, including all interest accruing thereon, shall be payable on demand; provided that demand shall only be made after the Exit Date.

(e) All amounts to be paid pursuant to this Section 3.05 shall be paid on the Adjustment Closing Date in immediately available funds by wire transfer to a bank account designated in writing by the payee to the payor at least three Business Days prior to the Adjustment Closing Date.

(f) The obligations of Saint-Gobain and the Company under this Section 3.05 are independent of the obligations of Owens Corning and the Company under Section 3.05 and the obligations of Owens Corning and the Company under this Section 3.05 are independent of the obligations of Saint-Gobain and the Company under Section 3.05.

Section 3.06 Assignment of Contracts and Rights. Anything in this Agreement to the contrary notwithstanding, this Agreement (including the reorganizations contemplated in Article II) shall not constitute an agreement to contribute or otherwise sell, convey, transfer, assign or sublicense any Contract, license or permit constituting a Contributed Asset, or any claim, right or benefit arising thereunder or resulting therefrom, or to enter into any other agreement or arrangement with respect thereto, if an attempted assignment, sale, conveyance, sublicense or transfer thereof, or entering into any such agreement or arrangement, without the consent of a third party, would constitute a breach of, or other contravention under, any agreement to which either Parent, or their respective Asset Transferors, is a party, be ineffective with respect to any party thereto or in any way adversely affect the rights of either Parent, or their respective Asset Transferors, or the transferee thereunder. With respect to any such Contract, license or permit or any claim, right or benefit arising thereunder or resulting therefrom, promptly after the date hereof, the Parties will use reasonable commercial efforts (but without any payment of money or other transfer of value by either Parent or the Company or any of their respective Affiliates to any third party) to obtain any required consent for the assignment, transfer or sublicense of any such Contract, license or permit to the Company, or written confirmation reasonably satisfactory in form and substance to the Parties confirming that such consent is not required. If a required consent is not obtained with respect to any such Contract, license or permit (a Consent Failure), the applicable Parent, its Asset Transferors and the Company will cooperate in a mutually agreeable arrangement under which the Company would obtain the benefits thereunder in accordance with this Agreement, including subcontracting or subleasing to the Company or to an Affiliate of the Company, subject to Applicable Law and the terms of any such Contract, license or permit, with the Company or its applicable Affiliate obtaining the claims, rights and benefits of the applicable Parent, or its Asset Transferors, and assuming the obligations under such Contract, license or permit in accordance with this Agreement, and the applicable Parent, or its Asset Transferors, will enforce at the request of and for the benefit of the Company or its applicable Affiliate, with the Company or its applicable Affiliate assuming the applicable Parent's, or its Asset Transferors', obligations, any and all claims, rights and benefits of the applicable Parents, or its Asset Transferors, against any third party thereto arising from any such Contract, license or permit (including the right to elect to terminate such Contract in accordance with the terms thereof upon the request of the Company). If any Consent Failure occurs and the applicable Parent, or its Asset Transferors, and the Company or its applicable Affiliate have failed to have entered into an arrangement to provide to the Company or its applicable Affiliate the benefits under the relevant Contract, license or

permit, such Parent and the Company shall cooperate following the Closing to obtain such consent or enter into an agreement with respect thereto as soon as reasonably practicable thereafter.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of Owens Corning. Owens Corning hereby represents and warrants to Saint-Gobain, SG Topco and to the Company that:

(a) Corporate Existence and Power. Owens Corning, each of its Combined Transferors and each OC Contributed Subsidiary is an entity duly formed, validly existing and, where applicable, in good standing under the laws of the jurisdiction of its formation or incorporation (as applicable) and has all corporate or similar power and authority required to carry on Owens Corning's Business as now conducted. Owens Corning, each of its Combined Transferors and each OC Contributed Subsidiary is duly qualified to do business as a foreign corporation or other entity and, where applicable, is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities make such qualification necessary to carry on Owens Corning's Business as now conducted, except where the failure to be so qualified or in good standing has not had, and could not reasonably be expected to have, a Material Adverse Effect on Owens Corning's Business.

(b) Corporate Authorization. The execution, delivery and performance by Owens Corning and its Subsidiaries of the Transaction Documents to which any of them are a party or by which any of them is bound and the consummation by Owens Corning and such Subsidiaries of the Contemplated Transactions are within their respective corporate or similar powers and have been (or in respect to Owens Corning's Subsidiaries other than OC Topco, as of Closing shall have been) duly authorized by all necessary corporate or similar action on their respective parts. This Agreement constitutes and each of the other Transaction Documents to which Owens Corning or any of its Subsidiaries is a party or by which any of them is bound constitutes or shall constitute at Closing a legal, valid and binding agreement of Owens Corning or such Subsidiary, enforceable against it in accordance with its terms (i) except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity.

(c) OC Contributed Subsidiaries and OC Existing JVs. Set forth in Schedule 4.01(c) is a true and complete list of each OC Contributed Subsidiary and each OC Existing JV (it being understood that Schedule 4.01(c) shall be updated promptly following the OC Reorganization in order to add the OC Reorganized Subsidiaries and such updated Schedule shall be deemed to be Schedule 4.01(c) as of the Closing Date), together with their (i) jurisdiction of formation or incorporation, (ii) number and type of authorized ownership interests, (iii) number and type of issued and outstanding ownership interests, the name of each holder thereof and the number and type of ownership interests held by each such holder and

(iv) as of the date hereof, directors, managing directors, chief executive officers, general managers and all other Persons holding general management powers. All of the issued and outstanding ownership interests of each OC Contributed Subsidiary and OC Existing JV have been duly authorized, are validly issued, fully paid and non-assessable and were not issued in violation of any Applicable Laws or any preemptive rights of any holder of ownership interests of such OC Contributed Subsidiary and OC Existing JV. Except for the ownership interests set forth in Schedule 4.01(c), neither Owens Corning nor any of its Subsidiaries owns, directly or indirectly, any ownership interests in any other Person that is engaged in Owens Corning's Business. Except as set forth in Schedule 4.01(c), all of the outstanding ownership interests of each OC Contributed Subsidiary are held of record and owned beneficially by Owens Corning or one of its Subsidiary Transferors free and clear of any restrictions on transfer (other than restrictions under the United States Securities Act of 1933, as amended, and state and foreign securities laws), purchase rights and Liens (other than Permitted Liens). Except as set forth in Schedule 4.01(c), all of the outstanding ownership interests of OC Existing JVs reflected as being held by Owens Corning or any of its Subsidiaries on such Schedule are held of record and owned beneficially by Owens Corning or such Subsidiaries free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state and foreign securities laws), purchase rights and Liens (other than Permitted Liens). A true and correct copy of the charter, bylaws or similar organizational documents of each OC Contributed Subsidiary and each OC Existing JV has been made available to Saint-Gobain.

(d) Governmental Authorization. The execution and delivery by Owens Corning and each of its Subsidiaries of the Transaction Documents (and the performance of the transactions contemplated thereby) to which Owens Corning or such Subsidiary is a party or by which any of them is bound require no action by or in respect of, or consent or approval of, or filing with, any Governmental Authority other than:

(i) compliance with any applicable requirements of Antitrust or Competition Laws;

(ii) the actions, consents, approvals, permits or filings set forth in Schedule 4.01(d) or otherwise expressly referred to in this Agreement; and

(iii) such other consents, approvals, authorizations, permits and filings the failure to obtain or make of which would not have, individually or in the aggregate, a Material Adverse Effect on Owens Corning's Business.

(e) Non-Contravention. Except as set forth in Schedule 4.01(e), the execution and delivery by Owens Corning and each of its Subsidiaries of the Transaction Documents (and the performance of the transactions contemplated thereby) to which Owens Corning or such Subsidiary is a party or by which any of them is bound do not and shall not (i)(A) contravene or conflict with the charter, bylaws or other organizational documents of Owens Corning, such Subsidiary, any of Owens Corning's Combined Transferors or any OC Contributed Subsidiary, (B) assuming compliance with the matters referred to in Section 4.01(d), contravene or conflict with, or constitute a violation of, any provisions of any Applicable Law binding upon Owens Corning, such Subsidiary, any of Owens Corning's Combined Transferors or any OC Contributed Subsidiary that is applicable to Owens Corning's Business, or (C) assuming

compliance with the matters referred to in Section 4.01(d), constitute a default under, or give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit relating to Owens Corning's Business to which Owens Corning or any of its Subsidiaries is entitled under, any Contract binding upon Owens Corning or any of its Subsidiaries and relating to Owens Corning's Business or by which any of the OC Contributed Assets is or may be bound (including any Contract included in the OC Contributed Assets) or any license, franchise, permit or similar authorization held by Owens Corning or any of its Subsidiaries relating to Owens Corning's Business except, in the case of clauses (B) and (C), for any such contravention, conflict, violation, default, termination, cancellation, acceleration or loss that could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business or (ii) result in the creation or imposition of any Lien on any OC Contributed Asset, other than Permitted Liens.

(f) Financial Statements. Attached hereto as Exhibit E is (i) the unaudited consolidating balance sheet of Owens Corning's Business at September 30, 2006 (the OC Reference Date Balance Sheet) and (ii) the unaudited consolidating income statement of Owens Corning's Business for the nine-month period ended September 30, 2006 (the OC Reference Date Balance Sheet and the income statement referred to in clause (ii) being herein collectively referred to as the OC Financial Statements). Except as set forth on Schedule 4.01(f), (A) the OC Financial Statements have been prepared in all material respects in accordance with U.S. GAAP and (B) the OC Financial Statements present fairly, in all material respects, the assets, liabilities, financial condition and the results of operations of Owens Corning's Business at, and for the nine-month period ended September 30, 2006. The OC Financial Statements have been derived from the chart of accounts included in Exhibit E.

(g) Absence of Certain Changes. Except as set forth in Schedule 4.01(g), from September 30, 2006 to the date of this Agreement, Owens Corning, its Combined Transferors, the OC Contributed Subsidiaries and the OC Existing JVs that are Subsidiaries of Owens Corning have conducted Owens Corning's Business in all material respects in accordance with the historical and customary operating practices relating to the conduct of such Business and there has not been:

(i) any event or occurrence that has had a Material Adverse Effect on Owens Corning's Business;

(ii) any damage, destruction or other casualty loss affecting any assets owned, held or used by Owens Corning or any of its Subsidiaries in the conduct of Owens Corning's Business, in each case in an amount exceeding USD3,000,000;

(iii) to the extent not covered by any other clause of this Section 4.01(g), (A) any transaction or commitment made, or any Contract entered into, by Owens Corning or any of its Subsidiaries relating to Owens Corning's Business or (B) any termination or amendment by Owens Corning of any Contract or other right relating to Owens Corning's Business, in each case that is material, other than transactions and commitments in the ordinary course of business and those contemplated by this Agreement;

(iv) any transaction or commitment made, or any Contract entered into, by Owens Corning or any of its Subsidiaries requiring Owens Corning's Business to take

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or pay for a minimum number or volume of goods, or to purchase a minimum number or volume of goods in excess of requirements under applicable customer Contracts or otherwise guaranteeing any of the foregoing, in each case in an amount exceeding USD100,000;

(v) any sale or other disposition of more than an aggregate of USD3,000,000 of assets (other than sales of inventory, sales otherwise made in the ordinary course of business, or sales or dispositions to Owens Corning's Affiliates as part of the OC Reorganization) owned, held or used by Owens Corning or any of its Subsidiaries in the conduct of Owens Corning's Business;

(vi) any increase in the compensation of any current employee of Owens Corning's Business whose annual salary equaled or exceeded USD200,000 immediately prior to such increase, other than (A) compensation increases or bonus awards in the ordinary course of business, (B) as required by Applicable Law or collective bargaining agreement or (C) nondiscretionary increases pursuant to an OC Benefit Plan disclosed in Schedule 4.01(r);

(vii) any cancellation, compromise, waiver or release by Owens Corning or any of its Subsidiaries of any claim or right (or a series of related claims or rights) relating to Owens Corning's Business, in each case other than cancellations, compromises, waivers or releases (i) in the ordinary course of business consistent with Past Practice or (ii) in respect of a claim or right of an amount lower than USD250,000;

(viii) any Lien (other than a Permitted Lien) imposed on any of the assets, properties or rights that are owned by Owens Corning or any of its Subsidiaries in the conduct of Owens Corning's Business and which will be owned, directly or indirectly, by the Company following the Closing;

(ix) any change in the accounting practices of Owens Corning's Business;

(x) any loan, advance or capital contribution to, or investment in, any Person (other than an OC Contributed Subsidiary or in relation to the OC Reorganization) by any OC Contributed Subsidiary other than in the ordinary course of business consistent with Past Practice (such ordinary course of business items to include, among others, advances for normal business travel expenses);

(xi) any capital expenditures or commitments in a single transaction in an amount exceeding USD5,000,000;

(xii) in each case solely to the extent relating to Owens Corning's Business, an OC Contributed Subsidiary or an OC Contributed Asset, any material change in the Tax elections, any settlement or compromise of any material Tax liability, any change in any material tax accounting method, or any material assessments, notices of deficiencies, audits, actions, suits or proceedings filed against Owens Corning (or an OC Contributed Subsidiary) with respect to any Tax;

(xiii) any hedging or other derivative Contract where such Contract will be binding on the Company or any of its Subsidiaries or the Company or any of its Subsidiaries will otherwise have liability therefor after the Closing; or

(xiv) any agreement, whether in writing or otherwise, to do any of the foregoing.

(h) Sufficiency of and Title to the Contributed Assets and Contributed Subsidiaries.

(i) Except as set forth in Schedule 4.01(h)(i), the OC Contributed Assets, together with the assets of the OC Contributed Subsidiaries and the OC Existing JVs and any rights or services to be provided by Owens Corning or any of its Subsidiaries to the Company or any of its Subsidiaries pursuant to the Transaction Documents (except for Intellectual Property, which is the subject of Section 4.01(p)), shall constitute on the Closing Date, all of the assets and services that are necessary to permit the operation of Owens Corning's Business in substantially the same manner as such operations have heretofore been conducted; provided, however, that this Section 4.01(h)(i) shall not be deemed to be breached as a result of any action for which Saint-Gobain has provided its consent pursuant to Section 5.01.

(ii) Except as set forth in Schedule 4.01(h)(ii), Owens Corning and its Asset Transferors have good and marketable title in and to, a valid leasehold interest in or a valid license to use, each of the OC Contributed Assets, having a fair market value in excess of USD250,000 free and clear of all Liens, except for Permitted Liens. Except as set forth on Schedule 4.01(h)(ii), each OC Contributed Subsidiary has good and marketable title in and to, a valid leasehold interest in or a valid license to use, all tangible assets having a fair market value in excess of USD250,000 used by such OC Contributed Subsidiary in the conduct of Owens Corning's Business free and clear of all Liens, except for Permitted Liens. Except as set forth in Schedule 4.01(h)(ii), all tangible property and assets having a fair market value in excess of USD250,000 included in each of the OC Contributed Assets and all tangible property and assets owned, held or used by the OC Contributed Subsidiaries have been maintained in all material respects consistent with the normal historical practices of Owens Corning's Business during the five year period preceding the date of this Agreement.

(iii) Schedule 4.01(h)(iii) includes a true and complete list of all real property owned by Owens Corning and its Subsidiaries that is used in Owens Corning's Business (collectively, the OC Owned Real Property). Schedule 4.01(h)(iii) sets forth the address of each parcel of OC Owned Real Property and the owner of such OC Owned Real Property (it being understood that Schedule 4.01(h)(iii) shall be updated promptly following the OC Reorganization in order to give effect to the change in ownership of certain of the OC Owned Real Property pursuant to the OC Reorganization and such updated Schedule shall be deemed to be Schedule 4.01(h)(iii) as of the Closing Date).

(iv) Schedule 4.01(h)(iv) includes a true and complete list of all agreements (together with any amendments thereof), other than warehouse service agreements, pursuant to which Owens Corning and its Subsidiaries lease, sublease or otherwise occupy

(whether as landlord, tenant, subtenant or other occupancy arrangement) any real property that is used in Owens Corning's Business (collectively, the OC Leased Real Property). Schedule 4.01(h)(iv) sets forth the address of each parcel of OC Leased Real Property and the owner of the leasehold, subleasehold or occupancy interest for each parcel of OC Leased Real Property (it being understood that Schedule 4.01(h)(iv) shall be updated promptly following the OC Reorganization in order to give effect to the change in ownership of the leasehold, subleasehold or occupancy interest in certain of the OC Leased Real Property pursuant to the OC Reorganization and such updated Schedule shall be deemed to be Schedule 4.01(h)(iv) as of the Closing Date).

(i) No Undisclosed Liabilities. Except as set forth in Schedule 4.01(i), there are no liabilities relating to Owens Corning's Business of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than:

(i) liabilities disclosed (or provided for) in the OC Financial Statements and liabilities for matters to be taken into account in the determination of the Owens Corning Adjusted Net Working Capital Amount;

(ii) liabilities (A) related to any Contract disclosed in Owens Corning's Disclosure Schedules or (B) related to any OC Benefit Plan disclosed in Schedule 4.01(r);

(iii) liabilities incurred in the ordinary course of business since September 30, 2006;

(iv) contingent liabilities not required to be accrued for or reserved against in accordance with U.S. GAAP or the accounting principles, policies, practices, methods and procedures utilized in the preparation of the OC Financial Statements, as disclosed in the notes to the OC Financial Statements;

(v) with respect to the bring down of this representation and warranty as of the Closing Date, liabilities not required to be accrued for or reserved against in accordance with U.S. GAAP or the accounting principles, policies, practices, methods and procedures utilized in the preparation of the OC Financial Statements, as disclosed in the notes to the OC Financial Statements;

(vi) liabilities disclosed in Schedule 4.01(i)(vi), which relate to an update of the reserves shown in the OC Financial Statements up to the date of this Agreement; and

(vii) liabilities in addition to those referenced in the foregoing clauses (i) through (vi), that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business.

(j) Litigation. Except as set forth in Schedule 4.01(j) or reserved against or referred to in the OC Financial Statements and except for matters arising under or related to Environmental Laws (which is the subject of Section 4.01(n)), there is no action, suit, investigation or proceeding pending, or to the knowledge of Owens Corning, threatened against

or affecting, Owens Corning's Business before any Governmental Authority or arbitral panel that have claimed, or could reasonably be expected to result in, Damages in excess of USD3,000,000.

(k) Material Contracts.

(i) Except as set forth in Schedule 4.01(k)(i), Owens Corning and its Subsidiaries, with respect to Owens Corning's Business, are not parties to or otherwise bound by or subject to:

(A) any written employment, severance, consulting or sales representative Contract that contains an obligation (excluding commissions) to pay more than USD200,000 per year, any collective bargaining agreement (other than those applicable nationally or to an industry as a whole) or other agreement with a labor union, works council, union delegation, or other recognized labor employee representative or any other agreement that contains an obligation either to employ a specified number of employees or to make a payment to any other Person in lieu thereof;

(B) any Contract containing a specific covenant applicable to Owens Corning or any of its Subsidiaries not to compete in any geographic area in any material respect if such Contract will be binding on the Company after the Closing;

(C) any Contract requiring Owens Corning's Business to take or pay for a minimum number or volume of goods, or to purchase a minimum number or volume of goods in excess of requirements under applicable customer Contracts or otherwise guaranteeing any of the foregoing, in each case in an amount in excess of USD100,000;

(D) any Contract in effect on the date of this Agreement relating to the disposition or acquisition of the assets of, or any interest in, any business enterprise that relates to Owens Corning's Business (other than with respect to inventory or otherwise in the ordinary course of business or to an Owens Corning Affiliate as part of the OC Reorganization), in each case with a value in excess of USD3,000,000;

(E) any Financial Support Arrangements in respect of obligations or liabilities (other than from one OC Contributed Subsidiary to another OC Contributed Subsidiary) where such arrangements will be binding on the Company or any of its Subsidiaries or the Company or any of its Subsidiaries will otherwise have liability therefor after the Closing;

(F) any note, debenture, bond, letter of credit, loan or other Contract relating to indebtedness for borrowed money with a principal amount in excess of USD3,000,000 where such Contract will be binding on the Company or any of its Subsidiaries or the Company or any of its Subsidiaries will otherwise have liability therefor after the Closing;

(G) any Contract (it being understood that for purposes of this representation, a purchase order issued under an existing master agreement will not constitute a separate Contract) with a supplier, vendor, or subcontractor with an aggregate contract value in excess of USD3,000,000;

(H) any partnership, joint venture or similar agreement; or

(I) any Contract with a Governmental Authority (other than where Owens Corning or its Subsidiary is solely acting in a subcontractor or similar capacity);

(J) any Contract containing a most favored nations clause for the benefit of the non-Owens Corning Affiliated party or granting to any Person (other than an OC Contributed Subsidiary) a right of first refusal or right of first offer with respect to any asset;

(K) any Contract with an Affiliate and, regardless of whether or not such Contract is related to Owens Corning's Business, any Contract between any OC Contributed Subsidiary and any of its Affiliates (other than those Contracts between one OC Contributed and another OC Contributed Subsidiary);

(L) any Contract for any capital expenditure or leasehold improvement in any one case in excess of USD5,000,000;

(M) any hedging or other derivative Contract where such Contract will be binding on the Company or the Company will otherwise have liability therefor after the Closing; or

(N) any Contract with a customer with an aggregate contract value in excess of USD3,000,000.

(ii) Owens Corning has made a true and correct copy of each Contract disclosed in Schedule 4.01(k)(i) and 4.01(h)(iv) available to Saint-Gobain. Except as disclosed in Schedule 4.01(k)(ii), each Contract disclosed in Schedule 4.01(k)(i), and 4.01(h)(iv) is in full force and effect and constitutes a legal, valid and binding obligation of Owens Corning (or its applicable Subsidiary) enforceable against Owens Corning (or its applicable Subsidiary) in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and subject to the limitations imposed by general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity), and Owens Corning (or its applicable Subsidiary) is not in material default and has not failed to perform any material obligation thereunder, and as a result thereof, neither Owens Corning nor any of its Subsidiaries has received an early termination notice from any party thereto and, to the knowledge of Owens Corning, there does not exist any event, condition or omission that would constitute a material breach or default of a material contract (whether by lapse of time or notice or both) by any other Person.

(l) Licenses and Permits. To the knowledge of Owens Corning, except as set forth in Schedule 4.01(l), Owens Corning, its Asset Transferors and the OC Contributed Subsidiaries have all licenses, franchises, permits and other similar authorizations affecting, or relating in any way to, Owens Corning's Business required by Applicable Law (other than Environmental Laws, which is the subject of Section 4.01(n)) to be obtained by Owens Corning, its Asset Transferors and the OC Contributed Subsidiaries to permit Owens Corning, its Asset

Transferors and the OC Contributed Subsidiaries to conduct Owens Corning's Business in substantially the same manner as Owens Corning's Business has heretofore been conducted, except where the failure to have such licenses, franchises, permits and similar authorizations has not had, and could not reasonably be expected to have, a Material Adverse Effect on Owens Corning's Business.

(m) Finders Fees. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Owens Corning or any of its Subsidiaries who might be entitled to any fee or commission from the Company, Saint-Gobain or any of their respective Affiliates upon consummation of the Contemplated Transactions.

(n) Environmental Matters.

(i) Except as disclosed in Schedule 4.01(n)(i): (A) The operation of Owens Corning's Business and the OC Owned Real Property and OC Leased Real Property, is and has been in compliance with all applicable Environmental Laws, except where the failure to be in compliance with such Environmental Laws could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (B) Owens Corning, its Asset Transferors and the OC Contributed Subsidiaries have obtained, have been and are, in compliance with all Environmental Permits required in connection with the ownership and operation of Owens Corning's Business, except where the failure to have obtained or comply with such Environmental Permits could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (C) none of Owens Corning, its Asset Transferors or the OC Contributed Subsidiaries have received written notice of any Environmental Claim or threatened Environmental Claim relating to Owens Corning's Business, other than any such Environmental Claim or threatened Environmental Claim that has been fully resolved or that could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (D) none of Owens Corning, its Asset Transferors or the OC Contributed Subsidiaries in connection with Owens Corning's Business, has entered into, agreed in writing to, or is subject to, any judgment, decree, order or other similar requirement of or written agreement with any Governmental Authority under any Environmental Laws, other than any such judgment, decree, order or other requirement or agreement that could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (E) no Releases of Hazardous Materials have occurred at, in, to, on, under or are emanating from any OC Owned Real Property or OC Leased Real Property or any real property formerly owned, operated, leased or occupied by Owens Corning or its Subsidiaries in connection with Owens Corning's Business (or any of their respective predecessors) that are, in each case, (1) in violation of applicable Environmental Laws; (2) in amounts, levels or concentrations that are required to be investigated or remediated under applicable Environmental Laws or by a Governmental Authority; or (3) are in excess of applicable remediation standards under applicable Environmental Laws, other than any such Releases that could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (F) no Person has been exposed to any Hazardous Materials on or prior to the Closing Date, at, in, to, on under or emanating from any OC Owned Real Property or OC Leased Real Property or any real property formerly owned, operated, leased or occupied by Owens Corning or its Subsidiaries in connection with Owens Corning's Business (or any of their respective predecessors) that could result in an

Environmental Claim other than any such Environmental Claims that could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (G) neither Owens Corning nor its Subsidiaries in connection with Owens Corning's Business has any liability under applicable Environmental Laws and there are no Environmental Claims with respect to the off-site transportation, treatment, storage or disposal of Hazardous Materials or the arrangement for the same by or on behalf of Owens Corning or its Subsidiaries in connection with Owens Corning's Business other than any such liability or Environmental Claims that could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (H) to the knowledge of Owens Corning, no OC Owned Real Property or OC Leased Real Property is identified on any lists or databases maintained by any Governmental Authorities of contaminated sites or sites requiring investigation or remediation under Environmental Laws; (I) none of Owens Corning, its Asset Transferors or the OC Contributed Subsidiaries in connection with Owens Corning's Business has, either expressly or by operation of law, assumed responsibility for or agreed to indemnify or hold harmless any Person for any liability or obligation, arising under or relating to Environmental Laws, other than that which could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (J) there are no written environmental assessments, investigations, audits, tests, or analyses (other than those relating to Asbestos Materials or Asbestos Laws to the extent that any liability therefor has been discharged in the OC Bankruptcy Plan of Reorganization or is covered by the 524(g) Injunction) which are in the possession of Owens Corning, its Asset Transferors or the OC Contributed Subsidiaries in connection with Owens Corning's Business that have not been made available to Saint-Gobain or its advisors prior to execution of this Agreement, other than any such documents that identify issues that could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business; (K) none of Owens Corning, its Asset Transferors or the OC Contributed Subsidiaries (or any of their respective predecessors) in connection with Owens Corning's Business currently or in the past, have ever manufactured, processed, distributed, marketed or sold any asbestos or asbestos-containing materials or products that could be reasonably expected to have a Material Adverse Effect other than to the extent any Damages therefor have been discharged in the OC Bankruptcy Plan of Reorganization or are covered by the 524(g) Injunction; (L) there are no financial assurance requirements arising under Environmental Laws with respect to Owens Corning's Business; and (M) neither the execution of this Agreement nor consummation of the transaction contemplated by this Agreement will require any notification to or consent of any Governmental Authorities or the undertaking of any investigations or remedial actions pursuant to Environmental Laws that could reasonably be expected to have a Material Adverse Effect on Owens Corning's Business.

(ii) Notwithstanding any other provision of this Section 4.01, this Section 4.01(n) sets forth the sole and exclusive representations and warranties governing matters arising under or relating to Environmental Laws in Section 4.01 of this Agreement, and no other representations or warranties in Section 4.01 of this Agreement shall be deemed to address or cover any matter arising under or relating to any Environmental Laws.

(iii) Notwithstanding anything to the contrary in this Agreement, for purposes of this Section 4.01(n), (i) Hazardous Materials shall exclude Asbestos Materials; (ii) Environmental Laws shall exclude Asbestos Laws; (iii) Environmental Permits shall exclude any Environmental Permit issued by any Governmental Authority under or in

connection with any Asbestos Materials or Asbestos Laws; and (iv) Environmental Claim shall exclude any Environmental Claim arising under or relating to any Asbestos Materials or Asbestos Laws; provided that in the case of (i) to (iv) only to the extent any Damages therefor have been discharged in the OC Bankruptcy Plan of Reorganization or are covered by the 524(g) Injunction.

(o) Compliance with Laws. Except as set forth in Schedule 4.01(o), for matters arising under or related to Environmental Laws (which is the subject of Section 4.01(n)), and for violations or infringements that have not had, and could not reasonably be expected to have, a Material Adverse Effect on Owens Corning's Business, to the knowledge of Owens Corning, the operation of Owens Corning's Business and condition of the assets owned, held or used in the conduct of Owens Corning's Business have not violated or infringed, and do not violate or infringe, in any respect any Applicable Law or any order, writ, injunction or decree of any Governmental Authority.

(p) Intellectual Property.

(i) Except as set forth in Schedule 4.01(p)(i), the OC Contributed Intellectual Property, together with the OC Third Party Intellectual Property and the OC Licensed Intellectual Property, constitute all of the material Intellectual Property:

(a) of Owens Corning and its Affiliates which is used or was used by the OC Contributed Subsidiaries, or

(b) of Owens Corning and its Affiliates which is necessary, or

(c) which is held by the OC Contributed Subsidiaries for use, or

(d) of the OC Contributed Subsidiaries which could have been used by the OC Contributed Subsidiaries,

to develop, manufacture, use, market, distribute and sell Company Products in Owens Corning's Business as conducted on or before the Closing Date.

(ii) Except as set forth in Schedule 4.01(p)(ii), to the knowledge of Owens Corning, the conduct of Owens Corning's Business during the five (5) years preceding the Closing Date does not infringe or constitute misappropriation, dilution, or unlawful use of Intellectual Property of any third party, and Owens Corning has not received any written notice or other written communication asserting any of the foregoing that remains unresolved.

(iii) Except as set forth in Schedule 4.01(p)(iii),

(A) one or more of the OC Contributed Subsidiaries and/or IP Holdcos collectively will on the Closing Date (x) own and possess all right, title and interest in and to all of the OC Contributed Intellectual Property, including all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom, and (y) will have valid licenses to (1) the OC Licensed

Intellectual Property pursuant to the OC Intellectual Property License Agreements and (2) the OC Third Party Intellectual Property;

(B) no judicial or regulatory action, including, but not limited to, interference, opposition, reissue, reexamination or other proceedings, is pending or, to the knowledge of Owens Corning, threatened, contesting the scope, validity, enforceability, claim construction, use, right, title, interest, or ownership of any of the OC Contributed Intellectual Property or the OC Licensed Intellectual Property;

(C) no judicial action is pending or, to the knowledge of Owens Corning, threatened against or affecting Owens Corning's Business involving any alleged infringement, misappropriation, dilution or unlawful use of any third party Intellectual Property arising by the use of the OC Contributed Intellectual Property or the OC Licensed Intellectual Property in Owens Corning's Business on or before the Closing Date to manufacture, use, or sell Company Products; and

(D) to the knowledge of Owens Corning, no third party is infringing, misappropriating, diluting or unlawfully using any OC Contributed Intellectual Property or OC Licensed Intellectual Property.

(iv) Except as set forth in Schedule 4.01(p)(iv), all OC Licensed Intellectual Property Rights may be licensed by Owens Corning or one or more of its Affiliates to one or more of the OC Contributed Subsidiaries, and/or IP Holdcos for sublicensing to the Company pursuant to the OC Intellectual Property License Agreements.

(v) To the knowledge of Owens Corning, Owens Corning and/or one or more of its Affiliates have complied in due time with the necessary filings and payments of annuities and maintenance fees required to maintain the OC Contributed Intellectual Property or OC Licensed Intellectual Property in full force and effect.

(vi) Except as set forth in Schedule 4.01 (p)(vi), Owens Corning has not granted, licensed or conveyed to any third party, pursuant to any written contract, agreement, license or other arrangement, any license or other right, title or interest in, to or under any OC Contributed Intellectual Property or OC Licensed Intellectual Property in connection with the manufacture, use, and sale of Company Products.

(q) Taxes. Except as set forth in Schedule 4.01(q) or as could not reasonably be expected to have a Material Adverse Effect on Owens Corning's Business, (i) all Tax Returns required to be filed on or before the Closing Date by Owens Corning and its Subsidiaries with any Tax Authority in respect of the OC Contributed Assets or the operations of Owens Corning's Business have been filed or shall be filed in accordance with all Applicable Laws and are in all material respects complete and accurate, (ii) all Taxes due and owing by Owens Corning or any of its Subsidiaries that relate to the OC Contributed Assets or the operations of Owens Corning's Business, whether or not reflected on a Tax Return, have been paid, and the OC Financial Statements adequately reflects all Taxes due (as opposed to any reserve for deferred Taxes established to reflect temporary differences between book and Tax income) attributable to the OC Contributed Assets as of that date, (iii) Owens Corning and its Subsidiaries have timely

withheld, paid and/or made full provision for all material Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, former employee, creditor, independent contractor, shareholder, affiliate, customer, supplier or other third party, (iv) no material Tax Return of Owens Corning or its Subsidiaries is under audit, examination, action, suit or proceeding by any Tax Authority, and no written or unwritten notice of such an audit, examination, action, suit or proceeding has been received by Owens Corning or any subsidiary, (v) no issues relating to Taxes were asserted in writing by any Tax Authority in any completed or current audit or examination of Owens Corning or its Subsidiaries that would reasonably be expected to recur in a later taxable period, (vi) neither Owens Corning nor any of its Subsidiaries has received or is subject to any written ruling of a Tax Authority related to Taxes or has entered into any written and legally binding agreement with a Tax Authority relating to Taxes, (vii) neither Owens Corning nor any of its Subsidiaries are subject to any accounting method changes, under applicable Tax law, that could give rise to an adjustment to Taxes for periods after the Closing Date, (viii) all Taxes, the non-payment of which would result in a Lien on any OC Contributed Asset or an indemnifiable claim of Saint-Gobain have been paid on a timely basis or are not yet due and payable, (ix) there is no material audit, action, suit or proceeding now pending against Owens Corning (or an OC Contributed Subsidiary) with respect to any Tax and neither Owens Corning nor has any OC Contributed Subsidiary received a notice of any material deficiencies, pending audits, assessments or proceedings, (x) there is no outstanding extension or waiver of the limitation period applicable to any Tax or Tax Return of Owens Corning (or an OC Contributed Subsidiary), (xi) neither Owens Corning nor any OC Contributed Subsidiaries are parties to any transactions required to be disclosed as a listed transaction under Treasury Regulation Section 1.6011-4, (xii) neither Owens Corning nor any OC Contributed Subsidiary is a party to any tax sharing agreements or that would be in effect after the Closing Date, (xiii) neither Owens Corning nor any OC Contributed Subsidiary is a party to any closing agreements, letter rulings or other agreements with Tax authorities impacting treatment of any item in a post-closing tax period, (xiv) neither Owens Corning nor any of its Subsidiaries will be required to include any material item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (1) installment sale or open transaction disposition made on or prior to the Closing Date or (2) prepaid amount received on or prior to the Closing Date, and (xv) neither Owens Corning nor any of its Subsidiaries has any liability for Taxes of any person or entity other than Owens Corning or such Subsidiary as a result of being a member of an affiliated, consolidated, combined, unitary or similar tax group other than a group that included Owens Corning (including any Tax liabilities for the unpaid Taxes under Treasury Regulation section 1.1502-6 (or any similar provision of State, local or foreign law)); provided, however, that the foregoing representations and warranties are made only to the extent of Taxes that are or may become Liens (other than Permitted Liens) on the OC Contributed Assets or the assets of the Company or its Subsidiaries or a liability for Taxes of the Company, its Subsidiaries or SG Topco.

(r) Employee Benefit Matters.

(i) Schedule 4.01(r)(i) includes a list of all material OC Benefit Plans.

(ii) Owens Corning has provided to Saint-Gobain true and complete copies of each material OC Benefit Plan other than national, regional or industry-wide

collective agreements, including, without limitation and for the avoidance of doubt, to the extent permitted by Applicable Law, all contracts or agreements for executives and managing directors whose annual gross remuneration package exceeds USD200,000, and all individual retention, termination, severance or other similar contracts or agreements, it being understood that Owens Corning used its best efforts to disclose these documents in compliance with Applicable Law.

(iii) Except as set forth in Schedule 4.01(r)(iii):

(A) Each OC Benefit Plan has at all times been maintained and administered in all material respects in accordance with its terms and with the requirements of all Applicable Laws;

(B) All required employer contributions or premiums (including any amounts deferred from or that reduce employees' wages) to each OC Benefit Plan have been made when due (or, in the case of contributions not yet due, as of the date hereof have been accrued on the financial statements and records to the extent required by U.S. GAAP or the generally accepted accounting principles applicable in the country under which the financial statements and records are prepared);

(C) INTENTIONALLY OMITTED

(D) No direct, contingent or secondary liability has been incurred or is expected to be incurred by OC Contributed Subsidiaries or any of their Subsidiaries which could result in liability imposed by any Governmental Authority as a result of the underfunded status of any defined benefit pension plan sponsored, maintained or contributed to by OC Contributed Subsidiaries or any of their OC Employment Affiliates, other than for premiums payable to any Governmental Authority under Applicable Law or other routine insurance payments under any Applicable Law;

(E) There are no pending or, to the knowledge of Owens Corning, threatened investigations, inquiries, audits (except standard audits relating to the Benefit Plans maintained in the United States) or claims by any Governmental Authority (including without limitation any such tax, social security or labor authority), relating to any of the OC Benefit Plans;

(F) There are no pending or, to the knowledge of Owens Corning, threatened termination proceedings, pending claims (except claims for benefits payable in the normal operation of the OC Benefit Plans), suits or proceedings against or involving any OC Benefit Plan or asserting any rights to or claims for benefits under any OC Benefit Plan and, to the knowledge of Owens Corning, there are not any facts that could reasonably be expected to give rise to any such investigation, claim, suit or proceeding, with respect to any Business Employee or for which OC Contributed Subsidiaries or their Subsidiaries could have liability;

(G) With respect to each OC Multiemployer Plan (i) no withdrawal liability or other similar liability has been incurred by Owens Corning, OC Contributed Subsidiaries, or any OC Employment Affiliate, and Owens Corning has no reason to believe that any such liability will be incurred, prior to the Closing Date, (ii) no notice has been

received that increased contributions may be required to avoid a reduction in plan benefits or the imposition of an excise tax or similar tax, or that the plan is or may become insolvent (within the meaning of section 4241 of ERISA), (iii) no proceedings have been instituted by the Pension Benefit Guaranty Corporation or any Governmental Authority against the plan, and (iv) if Owens Corning, OC Contributed Subsidiaries or any OC Employment Affiliate were to have a complete or partial withdrawal as of the Closing, no obligation to pay withdrawal liability would exist on the part of Owens Corning, OC Contributed Subsidiaries or any OC Employment Affiliate;

(H) Except as set forth in the Benefits Schedules as set forth in Schedule 8.01(b), no OC Benefit Plan provides post retirement, or health, life, death or other welfare benefit coverage (whether or not insured) beyond the termination of an employee's employment, except as required by Applicable Law;

(I) The tax deductibility of any amount paid or payable as compensation or under any OC Benefit Plan as a result of the transactions contemplated by this Agreement, whether alone or in combination with any other event (e.g., termination of employment), will not be limited by operation of Applicable Law;

(J) Except as set forth in the Benefits Schedules as set forth in Schedule 8.01(b), no promises or commitments have been made by Owens Corning, OC Contributed Subsidiaries or any Subsidiary or Affiliate to amend any OC Benefit Plan, to provide increased benefits thereunder or to establish any new benefit plan, except as required by Applicable Law;

(K) Owens Corning, OC Contributed Subsidiaries and each OC Employment Affiliate may, in any manner, subject to the limitations imposed by Applicable Law, any applicable employment contracts, or any applicable collective agreements, and without the consent of any employee, beneficiary or other person, prospectively terminate, modify or amend any OC Benefit Plan or any other plan, program or practice (or its participation in such OC Benefit Plan or any other plan, program or practice) effective as of a date on or after the date hereof; and

(L) To the knowledge of Owens Corning, in connection with an OC Benefit Plan, no event has occurred and there has been no failure to act on the part of either Owens Corning, OC Contributed Subsidiaries or any OC Employment Affiliate that could reasonably be expected to subject Owens Corning, OC Contributed Subsidiaries or any OC Employment Affiliate, any OC Benefit Plan or any successor plan to the imposition of any tax-related surcharge, penalty, lien, or fine, whether by way of indemnity or otherwise.

(iv) No benefit under any OC Benefit Plan, including, without limitation, any severance or parachute payment plan or agreement, will be established, increased, or become accelerated, vested or payable by reason of any transaction contemplated under this Agreement or the Joint Venture Agreement either alone or in conjunction with another event (e.g., termination of employment), and neither the execution and delivery of this Agreement or the Joint Venture Agreement, nor the consummation of any transaction contemplated by this Agreement or the Joint Venture Agreement will (a) trigger any funding (through a grantor trust or otherwise) of any compensation, severance or other benefits under

any OC Benefit Plan, or (b) result in any compensation becoming payable that will be subject to tax higher than any tax ordinarily payable with respect to such compensation.

(v) No OC Benefit Plan operated and maintained in the U.S. that is a non-qualified deferred compensation plan or arrangement subject to Section 409A of the Code has been materially modified (as defined under Section 409A of the Code) since October 3, 2004 and all such non-qualified deferred compensation plans or arrangements have been operated and administered in good faith compliance with Section 409A of the Code from the period beginning January 1, 2005 through the date hereon.

(vi) Except as disclosed in Schedule 4.01(r)(vi), none of Owens Corning, OC Contributed Subsidiaries or any of their Subsidiaries or Affiliates is party to any retention agreement or any agreement with any employee or former employee, director, agent or independent contractor of Owens Corning's Business (i) the benefits of which (including, without limitation, severance benefits) are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving Owens Corning, OC Contributed Subsidiaries or their Subsidiaries or Affiliates of the nature of any of the transactions contemplated by this Agreement or the Joint Venture Agreement or (ii) providing severance benefits in excess of those generally available under such company's severance policies as in effect on the date hereof or, in the absence of such policies, under Applicable Law, after the termination of employment or service of such current or former employee, director, agent or independent contractor regardless of the reason for such termination of employment or service. Except as listed on Schedule 4.01(r)(vi), none of Owens Corning, OC Contributed Subsidiaries or any of their Subsidiaries or Affiliates is a party to any employment or independent contracting agreement or compensation guarantee with any current or former employee, director, agent or independent contractor of Owens Corning's Business extending for a guaranteed period longer than one year from the date hereof;

(vii) Schedule 4.01(r)(vii) lists those jurisdictions with OC Benefit Plans which are Transferred DB Plans and the funded status of such plans as of December 31, 2006, with such funded status determined in accordance with the assumptions set forth in the applicable Benefit Schedules.

(s) Labor and Employment Matters.

(i) Neither Owens Corning nor its Subsidiaries are in default with respect to any material obligation to any hourly or salaried Business Employee (including officers) of Owens Corning's Business (each, an OC Employee).

(ii) Except as set forth in Schedule 4.01(s)(ii) with respect to Owens Corning and its Subsidiaries:

(A) since December 31, 2002, there have been no work stoppages for more than seven consecutive hours, strikes, lockouts or union organizing campaigns (other than those applicable nationally or to an industry as a whole) with respect to Owens Corning's Business, and to the knowledge of Owens Corning, none are threatened;

(B) there are no pending or unremedied grievances, arbitrations, labor and employment lawsuits, or unfair labor practices, with respect to Owens Corning's Business, which could reasonably be expected to impose a liability in excess of USD1,000,000 in respect of any individual claim or USD3,000,000 in the aggregate;

(C) Owens Corning and its Subsidiaries are, with respect to Owens Corning's Business, in compliance, in all material respects, with all Applicable Laws of the applicable jurisdictions relating to labor, employment and employment practices, terms and conditions of employment, wages, hours of work, employee benefits, immigration, non-discrimination, collective bargaining, and occupational safety and health, except for non-compliance that does not have, and could not reasonably be expected to have, a Material Adverse Effect on Owens Corning's Business or, to the knowledge of Owens Corning, the operation of Owens Corning's Business and the condition of the OC Contributed Assets; and all amounts required by Applicable Laws, collective bargaining agreements, or OC Benefit Plans to be withheld from the wages, salaries or other payments to OC Employees have been withheld, and Owens Corning and its Subsidiaries are not liable for any wages, arrears, taxes, or penalty for failure to comply with the foregoing with respect to OC Employees, except in such case that could impose liability in excess of USD1,000,000 in respect of any individual failure or USD3,000,000 in the aggregate; and

(D) there is no pending or, to the knowledge of Owens Corning, threatened, governmental investigation, proceeding, claim, suit or other legal action relating to compliance with labor and employment Laws by Owens Corning and its Subsidiaries with respect to Owens Corning's Business which could reasonably be expected to impose liability in excess of USD1,000,000 in respect of any individual claim or USD3,000,000 in the aggregate.

(t) Product Warranties. Except as set forth on Schedule 4.01(t) or as expressly set forth and identifiable as reserves on the OC Financial Statements, neither Owens Corning nor any of its Subsidiaries has in connection with the Owens Corning Business any material liability in connection with the replacement of related products or other damages in connection therewith.

(u) Insurance. Owens Corning, whether directly or through its Affiliates, maintains, and shall maintain until the Closing Date, with reputable insurers policies of insurance in respect of Owens Corning's Business, the OC Contributed Assets and all tangible property and assets owned, held or used by the OC Contributed Subsidiaries against all customary risks and for such amounts in accordance with good industry practices and as required by Applicable Law. Such policies are in full force and effect and are valid, outstanding and enforceable, all premiums due thereon have been paid in full, and Owens Corning or its applicable Subsidiary has complied in all material respects with the provisions of all such policies. Except as set forth on Schedule 4.01(u), no insurer under any such policy has cancelled or specifically disclaimed liability under any such policies or indicated in writing any intent to do so or not renew any such policy. Since December 31, 2004, neither Owens Corning nor any of its Subsidiaries has taken or failed to take any action such that the applicability of any such policies or the ability to make claims thereunder would be adversely impacted in any material respect.

(v) Foreign Corrupt Practices Act. Except as set forth in Schedule 4.01(v), neither Owens Corning nor any of the OC Contributed Subsidiaries nor, to the knowledge of Owens Corning, any director, officer, agent, employee or other person associated with or acting on behalf of Owens Corning or any of the OC Contributed Subsidiaries, has (i) (A) made, authorized, offered or promised to make any unlawful payment or transfer of anything of value, directly, indirectly or through a third party, to any officer, employee or representative of a foreign government or any department, agency or instrumentality thereof (including any state-owned enterprise), political party, party official or candidate for public office, political campaign or public international organization (each a Foreign Government Representative), in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or any Applicable Law of similar effect in any jurisdiction to which such person or entity is subject; (B) otherwise taken any action which would cause Owens Corning and the OC Contributed Subsidiaries to be in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or any Applicable Law of similar effect in any jurisdiction to which such person or entity is subject, and (ii) made any payments to third parties by check mailed to such third parties' principal place of business or by wire transfer to a bank located in the same jurisdiction as such parties' principal place of business. For the purposes of this Section 4.01(v), the acts specified include, but are not limited to: (x) the making or payment of any illegal contributions, commissions, fees, gifts, entertainment, travel or other unlawful expenses relating to political activity, (y) the direct or indirect payment, gift, offer, promise or authorization to make a payment, gift, offer or promise of, anything of material value to any Foreign Government Representative, and (z) the making of any bribe, illegal payoff, influence payment, kickback or other unlawful payment, using funds of Owens Corning or the OC Contributed Subsidiaries or otherwise on behalf of any of Owens Corning or the OC Contributed Subsidiaries.

(w) Undisclosed Contracts. Except as set forth on Schedule 4.01(w), no undisclosed portions of the Undisclosed Contracts of Owens Corning (i) involve the performance of work by Owens Corning's Business of a materially different nature than work currently performed by Owens Corning's Business pursuant to Contracts to which Saint-Gobain has been provided access prior to the date of this Agreement, (ii) have terms which would result in total contract costs determined in accordance with U.S. GAAP indicating a loss (except that costs shall be based on the average costs of Owens Corning's Business for the applicable accounting year), (iii) contain any material terms that are not consistent with industry practice or (iv) require Owens Corning's Business to take or pay for a minimum number or volume of goods, or to purchase a minimum number or volume of goods used in excess of the current requirements of Owens Corning's Business under existing Contracts (in each case in an amount exceeding USD100,000).

(x) Accounts Receivable. The accounts receivable of Owens Corning's Business as set forth on the OC Financial Statements or arising since the date thereof are, to the extent not paid in full by the account debtor prior to the date hereof, (a) valid and genuine, have arisen solely out of bona fide sales and deliveries of goods, performance of services and other business transactions in the ordinary course of Owens Corning's Business consistent with Past Practice and (b) to its knowledge not subject to valid defenses, set-offs or counterclaims. The allowance for collection losses on the OC Financial Statements and, with respect to accounts receivable arising since September 30, 2006, the allowance for collection losses shown on the

accounting records of Owens Corning's Business, have been determined in accordance with U.S. GAAP.

(y) Relationships with Customers and Suppliers. Schedule 4.01(y) sets forth the largest 25 customers of Owens Corning's Business based on revenue generated for the nine-month period ended September 30, 2006 (each, an OC Material Customer) and the largest 25 suppliers of Owens Corning's Business based on expense incurred for the nine-month period ended September 30, 2006 (each, an OC Material Supplier). Except as set forth in Schedule 4.01(y), since September 30, 2006 no OC Material Customer or OC Material Supplier has either terminated its relationship with Owens Corning's Business or materially reduced the aggregate value of its annual transactions with Owens Corning's Business, nor has any OC Material Customer or OC Material Supplier given formal written notice to Owens Corning or any of its Subsidiaries of its intention to do so.

(z) Product Liability. Except as set forth in Schedule 4.01(z), neither Owens Corning nor any of its Subsidiaries has received any written notice within the past two years relating to, nor does Owens Corning have any knowledge of any facts or circumstances that are reasonably expected to give rise to, any actual or potential claim involving any service provided or any product designed, manufactured, serviced, produced, modified, distributed or sold by or on behalf of Owens Corning's Business relating to an alleged defect in design, manufacture, materials or workmanship, performance, or any alleged failure to warn, or any alleged breach of implied warranties or representations, other than notices or claims that have been settled or resolved prior to the date of this Agreement, that are within normal warranty experience, or those that could not, individually or in the aggregate, have and could not reasonably be expected to have a Material Adverse Effect.

(aa) Furnaces. Schedule 4.01(aa) contains a list of furnaces owned by Owens Corning or any of its Subsidiaries Primarily used in Owens Corning's Business indicating for each such furnace the date it was last rebuilt and a good faith estimate of the cost thereof.

(bb) 524(g) Injunction. Owens Corning has previously provided Saint-Gobain a true and correct copy of the OC Bankruptcy Plan of Reorganization approved by the Bankruptcy Court, which includes an injunction pursuant to Section 524(g) of the Bankruptcy Code (the 524(g) Injunction), and such 524(g) Injunction has become effective and is non-appealable.

Section 4.02 Representations and Warranties of Saint-Gobain. Saint-Gobain hereby represents and warrants to Owens Corning, OC Topco and the Company, that:

(a) Corporate Existence and Power. Saint-Gobain, each of its Combined Transferors and each SG Contributed Subsidiary is an entity duly formed, validly existing and, where applicable, in good standing under the laws of the jurisdiction of its formation or incorporation (as applicable) and has all corporate or similar power and authority required to carry on Saint-Gobain's Business as now conducted. Saint-Gobain and each of its Combined Transferors and each SG Contributed Subsidiary is duly qualified to do business as a foreign corporation or other entity and, where applicable, is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities make such

qualification necessary to carry on Saint-Gobain's Business as now conducted, except where the failure to be so qualified or in good standing has not had, and could not reasonably be expected to have, a Material Adverse Effect on Saint-Gobain's Business.

(b) Corporate Authorization. The execution, delivery and performance by Saint-Gobain and its Affiliates of the Transaction Documents to which any of them are a party or by which any of them is bound and the consummation by Saint-Gobain and such Affiliates of the Contemplated Transactions are within their respective corporate or similar powers and have been (or in respect to Saint-Gobain's Affiliates other than SG Topco, as of Closing shall have been) duly authorized by all necessary corporate or similar action on their respective parts. This Agreement constitutes and each of the other Transaction Documents to which Saint-Gobain or any of its Affiliates is a party or by which any of them is bound constitutes or shall constitute at Closing a legal, valid and binding agreement of Saint-Gobain or such Affiliates, enforceable against it in accordance with its terms (i) except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and (ii) subject to the limitations imposed by general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity.

(c) SG Contributed Subsidiaries and SG Existing JVs. Set forth in Schedule 4.02(c) is a true and complete list of each SG Contributed Subsidiary and each SG Existing JV (it being understood that Schedule 4.02(c) shall be updated promptly following the SG Reorganization in order to add the SG Reorganized Subsidiaries and such updated Schedule shall be deemed to be Schedule 4.02(c) as of the Closing Date), together with their (i) jurisdiction of formation or incorporation, (ii) number and type of authorized ownership interests, (iii) number and type of issued and outstanding ownership interests, the name of each holder thereof and the number and type of ownership interests held by each such holder and (iv) as of the date hereof, directors, managing directors, chief executive officers, general managers and all other Persons holding general management powers. All of the issued and outstanding ownership interests of each SG Contributed Subsidiary and SG Existing JV have been duly authorized, are validly issued, fully paid and non-assessable and were not issued in violation of any Applicable Laws or any preemptive rights of any holder of ownership interests of such SG Contributed Subsidiary and SG Existing JV. Except for the ownership interests set forth in Schedule 4.02(c), neither Owens Corning nor any of its Subsidiaries owns, directly or indirectly, any ownership interests in any other Person that is engaged in Saint-Gobain's Business. Except as set forth in Schedule 4.02(c), all of the outstanding ownership interests of each SG Contributed Subsidiary are held of record and owned beneficially by Saint-Gobain or one of its Subsidiary Transferors free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state and foreign securities laws), purchase rights and Liens (other than Permitted Liens). Except as set forth in Schedule 4.02(c), all of the outstanding ownership interests of SG Existing JVs reflected as being held by Saint-Gobain or any of its Affiliates on such Schedule are held of record and owned beneficially by Saint-Gobain or such Subsidiaries free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state and foreign securities laws), purchase rights and Liens (other than Permitted Liens). A true and correct copy of the charter, bylaws or similar organizational

documents of each SG Contributed Subsidiary and each SG Existing JV has been made available to Owens Corning.

(d) Governmental Authorization. The execution and delivery by Saint-Gobain and each of its Affiliates of the Transaction Documents (and the performance of the transactions contemplated thereby) to which Saint-Gobain or such Affiliates is a party or by which any of them is bound require no action by or in respect of, or consent or approval of, or filing with, any Governmental Authority other than:

(i) compliance with any applicable requirements of Antitrust or Competition Laws;

(ii) the actions, consents, approvals, permits or filings set forth in Schedule 4.02(d) or otherwise expressly referred to in this Agreement; and

(iii) such other consents, approvals, authorizations, permits and filings the failure to obtain or make of which would not have, individually or in the aggregate, a Material Adverse Effect on Saint-Gobain's Business.

(e) Non-Contravention. Except as set forth in Schedule 4.02(e), the execution and delivery by Saint-Gobain and each of its Affiliates of the Transaction Documents (and the performance of the transactions contemplated thereby) to which Saint-Gobain or such Affiliates is a party or by which any of them is bound do not and shall not (i)(A) contravene or conflict with the charter, bylaws or other organizational documents of Saint-Gobain, such Affiliate, any of its Saint-Gobain's Combined Transferors or any SG Contributed Subsidiary, (B) assuming compliance with the matters referred to in Section 4.02 (d), contravene or conflict with, or constitute a violation of, any provisions of any Applicable Law binding upon Saint-Gobain, such Affiliates, any of Saint-Gobain's Combined Transferors or any SG Contributed Subsidiary that is applicable to Saint-Gobain's Business, or (C) assuming compliance with the matters referred to in Section 4.02 (d), constitute a default under, or give rise to any right of termination, cancellation or acceleration of, or to a loss of any benefit relating to Saint-Gobain's Business to which Saint-Gobain or any of its Affiliates is entitled under, any Contract binding upon Saint-Gobain or any of its Affiliates and relating to Saint-Gobain's Business or by which any of the SG Contributed Assets is or may be bound (including any Contract included in the SG Contributed Assets) or any license, franchise, permit or similar authorization held by Saint-Gobain or any of its Affiliates relating to Saint-Gobain's Business except, in the case of clauses (B) and (C), for any such contravention, conflict, violation, default, termination, cancellation, acceleration or loss that could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business or (ii) result in the creation or imposition of any Lien on any SG Contributed Asset, other than Permitted Liens.

(f) Financial Statements. Attached hereto as Exhibit F is (i) the unaudited consolidating balance sheet of Saint-Gobain's Business at September 30, 2006 (the SG Reference Date Balance Sheet) and (ii) the unaudited consolidating income statement of Saint-Gobain's Business for nine-month period ended September 30, 2006 (the SG Reference Date Balance Sheet and the income statement referred to in clause (ii) being herein collectively referred to as the SG Financial Statements). Except as set forth on Schedule 4.02 (f), (A) the

SG Financial Statements have been prepared in all material respects in accordance with IFRS and (B) the SG Financial Statements present fairly, in all material respects, the assets, liabilities, financial condition and the results of operations of Saint-Gobain's Business at, and for the nine-month period ended September 30, 2006. The SG Financial Statements have been derived from the chart of accounts included in Exhibit F.

(g) Absence of Certain Changes. Except as set forth in Schedule 4.02(g), from September 30, 2006 to the date of this Agreement, Saint-Gobain and its Combined Transferors, the SG Contributed Subsidiaries and the SG Existing JVs that are Subsidiaries of Saint-Gobain have conducted Saint-Gobain's Business in all material respects in accordance with the historical and customary operating practices relating to the conduct of such Business and there has not been:

(i) any event or occurrence that has had a Material Adverse Effect on Saint-Gobain's Business;

(ii) any damage, destruction or other casualty loss affecting any assets owned, held or used by Saint-Gobain or any of its Affiliates in the conduct of Saint-Gobain's Business, in each case in an amount exceeding USD3,000,000;

(iii) to the extent not covered by any other clause of this Section 4.02(g), (A) any transaction or commitment made, or any Contract entered into, by Saint-Gobain or any of its Affiliates relating to Saint-Gobain's Business or (B) any termination or amendment by Saint-Gobain of any Contract or other right relating to Saint-Gobain's Business, in each case that is material, other than transactions and commitments in the ordinary course of business and those contemplated by this Agreement;

(iv) any transaction or commitment made, or any Contract entered into, by Saint-Gobain or any of its Affiliates requiring Saint-Gobain's Business to take or pay for a minimum number or volume of goods, or to purchase a minimum number or volume of goods in excess of requirements under applicable customer Contracts or otherwise guaranteeing any of the foregoing, in each case in an amount exceeding USD100,000;

(v) any sale or other disposition of more than an aggregate of USD3,000,000 of assets (other than sales of inventory, sales otherwise made in the ordinary course of business or sales or dispositions to Saint-Gobain's Affiliates as part of the SG Reorganization) owned, held or used by Saint-Gobain or any of its Affiliates in the conduct of Saint-Gobain's Business;

(vi) any increase in the compensation of any current employee of Saint-Gobain's Business whose annual salary equaled or exceeded USD200,000 immediately prior to such increase, other than (A) compensation increases or bonus awards in the ordinary course of business, (B) as required by Applicable Law or collective bargaining agreement or (C) nondiscretionary increases pursuant to an SG Benefit Plan disclosed in Schedule 4.02(r);

(vii) any cancellation, compromise, waiver or release by Saint-Gobain or any of its Affiliates of any claim or right (or a series of related claims or rights) relating to Saint-Gobain's Business, in each case other than cancellations, compromises, waivers or

releases (i) in the ordinary course of business consistent with Past Practice or (ii) in respect of a claim or right of an amount lower than USD250,000;

(viii) any Lien (other than a Permitted Lien) imposed on any of the assets, properties or rights that are owned by Saint-Gobain or any of its Affiliates in the conduct of Saint-Gobain's Business and which will be owned, directly or indirectly, by the Company following the Closing;

(ix) any change in the accounting practices of Saint-Gobain's Business;

(x) any loan, advance or capital contribution to, or investment in, any Person (other than a SG Contributed Subsidiary or in relation to the SG Reorganization by any SG Contributed Subsidiary other than in the ordinary course of business consistent with Past Practice (such ordinary course of business items to include, among others, advances for normal business travel expenses);

(xi) any capital expenditures or commitments in a single transaction in an amount exceeding USD5,000,000;

(xii) in each case solely to the extent relating to Saint-Gobain's Business, an SG Contributed Subsidiary or an SG Contributed Asset, any material change in the Tax elections, any settlement or compromise of any material Tax liability, any change in any material tax accounting method or any material assessments, notices of deficiencies, audits, actions, suits or proceedings filed against Saint-Gobain (or an SG Contributed Subsidiary) with respect to any Tax;

(xiii) any hedging or other derivative Contract where such contract will be binding on the Company or any of its Subsidiaries or the Company or any of its Subsidiaries will otherwise have liability therefor after the Closing; or

(xiv) any agreement, whether in writing or otherwise, to do any of the foregoing.

(h) Sufficiency of and Title to the Contributed Assets and Contributed Subsidiaries.

(i) Except as set forth in Schedule 4.02(h)(i), the SG Contributed Assets, together with the assets of the SG Contributed Subsidiaries and the SG Existing JVs and any rights or services to be provided by Saint-Gobain or any of its Affiliates to the Company or any of its Subsidiaries pursuant to the Transaction Documents (except for Intellectual Property, which is the subject of Section 4.02 (p)), shall constitute on the Closing Date, all of the assets and services that are necessary to permit the operation of Saint-Gobain's Business in substantially the same manner as such operations have heretofore been conducted; provided, however, that this Section 4.02(h)(i) shall not be deemed to be breached as a result of any action for which Owens Corning has provided its consent pursuant to Section 5.01.

(ii) Except as set forth in Schedule 4.02(h)(ii), Saint-Gobain and its Asset Transferors have good and marketable title in and to, a valid leasehold interest in or a valid license to use, each of the SG Contributed Assets having a fair market value in excess of USD250,000, free and clear of all Liens, except for Permitted Liens. Except as set forth on Schedule 4.02(h)(ii), each SG Contributed Subsidiary has good and marketable title in and to, a valid leasehold interest in or a valid license to use, all tangible assets having a fair market value in excess of USD250,000 used by such SG Contributed Subsidiary in the conduct of Saint-Gobain's Business free and clear of all Liens, except for Permitted Liens. Except as set forth in Schedule 4.02(h)(ii), all tangible property and assets having a fair market value in excess of USD250,000 included in each of the SG Contributed Assets and all tangible property and assets owned, held or used by the SG Contributed Subsidiaries have been maintained in all material respects consistent with the normal historical practices of Saint-Gobain's Business during the five year period preceding the date of this Agreement.

(iii) Schedule 4.02(h)(iii) includes a true and complete list of all real property owned by Saint-Gobain and its Affiliates that is used in Saint-Gobain's Business (collectively, the SG Owned Real Property). Schedule 4.02(h)(iii) sets forth the address of each parcel of SG Owned Real Property and the owner of such SG Owned Real Property (it being understood that Schedule 4.02(h)(iii) shall be updated promptly following the SG Reorganization in order to give effect to the change in ownership of certain of the SG Owned Real Property pursuant to the SG Reorganization and such updated Schedule shall be deemed to be Schedule 4.02(h)(iii) as of the Closing Date).

(iv) Schedule 4.02(h)(iv) includes a true and complete list of all agreements (together with any amendments thereof), other than warehouse service agreements, pursuant to which Saint-Gobain and its Affiliates lease, sublease or otherwise occupy (whether as landlord, tenant, subtenant or other occupancy arrangement) any real property that is used in Saint-Gobain's Business (collectively, the SG Leased Real Property). Schedule 4.02(h)(iv) sets forth the address of each parcel of SG Leased Real Property and the owner of the leasehold, subleasehold or occupancy interest for each parcel of SG Leased Real Property (it being understood that Schedule 4.02(h)(iv) shall be updated promptly following the SG Reorganization in order to give effect to the change in ownership of the leasehold, subleasehold or occupancy interest in certain of the SG Leased Real Property pursuant to the SG Reorganization and such updated Schedule shall be deemed to be Schedule 4.02(h)(iv) as of the Closing Date).

(i) No Undisclosed Liabilities. Except as set forth in Schedule 4.02(i), there are no liabilities relating to Saint-Gobain's Business of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than:

(i) liabilities disclosed (or provided for) in the SG Financial Statements and liabilities for matters to be taken into account in the determination of the Saint-Gobain Adjusted Net Working Capital Amount;

(ii) liabilities (A) related to any Contract disclosed in Saint-Gobain's Disclosure Schedules or (B) related to any SG Benefit Plan disclosed in Schedule 4.02(r);

(iii) liabilities incurred in the ordinary course of business since September 30, 2006;

(iv) contingent liabilities not required to be accrued for or reserved against in accordance with IFRS or the accounting principles, policies, practices, methods and procedures utilized in the preparation of the SG Financial Statements, as disclosed in the notes to the SG Financial Statements;

(v) with respect to the bring down of this representation and warranty as of the Closing Date, liabilities not required to be accrued for or reserved against in accordance with IFRS or the accounting principles, policies, practices, methods and procedures utilized in the preparation of the SG Financial Statements, as disclosed in the notes to the SG Financial Statements;

(vi) liabilities disclosed in Schedule 4.02(i)(vi), which relate to an update of the reserves shown in the SG Financial Statements up to the date of this Agreement; and

(vii) liabilities in addition to those referenced in the foregoing clauses (i) through (vi), that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business.

(j) Litigation. Except as set forth in Schedule 4.02(j) or reserved against or referred to in the SG Financial Statements and except for matters arising under or related to Environmental Laws (which is the subject of Section 4.02(n)), there is no action, suit, investigation or proceeding pending, or to the knowledge of Saint-Gobain, threatened against or affecting, Saint-Gobain's Business before any Governmental Authority or arbitral panel that have claimed, or could reasonably be expected to result in, Damages in excess of USD3,000,000.

(k) Material Contracts.

(i) Except as set forth in Schedule 4.02(k)(i), Saint-Gobain and its Affiliates, with respect to Saint-Gobain's Business, are not parties to or otherwise bound by or subject to:

(A) any written employment, severance, consulting or sales representative Contract that contains an obligation (excluding commissions) to pay more than USD200,000 per year, any collective bargaining agreement (other than those applicable nationally or to an industry as a whole), or any other agreement that contains an obligation either to employ a specified number of employees or to make a payment to any other Person in lieu thereof;

(B) any Contract containing a specific covenant applicable to Saint-Gobain or any of its Affiliates not to compete in any geographic area in any material respect if such Contract will be binding on the Company after the Closing;

(C) any Contract requiring Saint-Gobain's Business to take or pay for a minimum number or volume

of goods, or to purchase a minimum number or volume of goods in excess of requirements under applicable customer Contracts or otherwise guaranteeing any of the foregoing, in each case in an amount in excess of USD100,000;

(D) any Contract in effect on the date of this Agreement relating to the disposition or acquisition of the assets of, or any interest in, any business enterprise that relates to Saint-Gobain's Business (other than with respect to inventory or otherwise in the ordinary course of business or to a Saint-Gobain Affiliate as part of the SG Reorganization), in each case with a value in excess of USD3,000,000;

(E) any Financial Support Arrangements in respect of obligations or liabilities (other than from one SG Contributed Subsidiary to another SG Contributed Subsidiary) where such arrangements will be binding on the Company or any of its Subsidiaries or the Company or any of its Subsidiaries will otherwise have liability therefor after the Closing;

(F) any note, debenture, bond, letter of credit, loan or other Contract relating to any indebtedness for borrowed money with a principal amount in excess of USD3,000,000 where such Contract will be binding on the Company or any of its Subsidiaries or the Company or any of its Subsidiaries will otherwise have liability therefor after the Closing;

(G) any Contract (it being understood that for purposes of this representation, a purchase order issued under an existing master agreement will not constitute a separate Contract) with a supplier, vendor, or subcontractor with an aggregate contract value in excess of USD3,000,000;

(H) any partnership, joint venture or similar agreement; or

(I) any Contract with a Governmental Authority (other than where Saint-Gobain or its Affiliates is solely acting in a subcontractor or similar capacity);

(J) any Contract containing a most favored nations clause for the benefit of the non Saint-Gobain affiliated party or granting to any Person (other than a SG Contributed Subsidiary) a right of first refusal or right of first offer with respect to any asset;

(K) any Contract with an Affiliate and, regardless of whether or not such Contract is related to Saint-Gobain's Business, any Contract between any SG Contributed Subsidiary and any of its Affiliates (other than those Contracts between one SG Contributed Subsidiary and another SG Contributed Subsidiary);

(L) any Contract for any capital expenditure or leasehold improvement in any one case in excess of USD5,000,000;

(M) any hedging or other derivative Contract where such Contract will be binding on the Company or any of its Subsidiaries or the Company or any of its Subsidiaries will otherwise have liability therefor after the Closing; or

(N) any Contract with a customer with an aggregate contract value in excess of USD3,000,000.

(ii) Except with respect to those Contracts set forth on Schedule 6.10, Saint-Gobain has made a true and correct copy of each Contract disclosed in Schedule 4.02(k)(i) and 4.02(h)(iv) available to Owens Corning. Except as disclosed in Schedule 4.02(k)(ii), each Contract disclosed in Schedule 4.02(k)(i) and 4.02(h)(iv) is in full force and effect and constitutes a legal, valid and binding obligation of Saint-Gobain (or its applicable Affiliate) enforceable against Saint-Gobain (or its applicable Affiliate) in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and subject to the limitations imposed by general equitable principles regardless of whether such enforceability is considered in a proceeding at law or in equity), and Saint-Gobain (or its applicable Affiliate) is not in material default and has not failed to perform any material obligation thereunder, and as a result thereof, neither Saint-Gobain nor any of its Affiliates has received an early termination notice from any party thereto and, to the knowledge of Saint-Gobain, there does not exist any event, condition or omission that would constitute a material breach or default of a material contract (whether by lapse of time or notice or both) by any other Person.

(l) Licenses and Permits. To the knowledge of Saint-Gobain, except as set forth in Schedule 4.02(l), Saint-Gobain, its Asset Transferors and the SG Contributed Subsidiaries have all licenses, franchises, permits and other similar authorizations affecting, or relating in any way to, Saint-Gobain's Business required by Applicable Law (other than Environmental Laws, which is the subject of Section 4.02(n)) to be obtained by Saint-Gobain, its Asset Transferors and the SG Contributed Subsidiaries to permit Saint-Gobain its Asset Transferors and the SG Contributed Subsidiaries to conduct Saint-Gobain's Business in substantially the same manner as Saint-Gobain's Business has heretofore been conducted, except where the failure to have such licenses, franchises, permits and similar authorizations has not had, and could not reasonably be expected to have, a Material Adverse Effect on Saint-Gobain's Business.

(m) Finders' Fees. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Saint-Gobain or any of its Affiliates who might be entitled to any fee or commission from the Company, Owens Corning or any of their respective Affiliates upon consummation of the Contemplated Transactions.

(n) Environmental Matters.

(i) Except as disclosed in Schedule 4.02(n)(i): (A) The operation of Saint-Gobain's Business and the SG Owned Real Property and SG Leased Real Property, is and has been in compliance with all applicable Environmental Laws, except where the failure to be in compliance with such Environmental Laws could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (B) Saint-Gobain, its Asset Transferors and the SG Contributed Subsidiaries have obtained, have been and are, in compliance with all Environmental Permits required in connection with the ownership and operation of Saint-Gobain's Business, except where the failure to have obtained or comply with such Environmental Permits could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (C) none of Saint-Gobain, its Asset Transferors or the SG Contributed

Subsidiaries have received written notice of any Environmental Claim or threatened Environmental Claim relating to Saint-Gobain's Business, other than any such Environmental Claim or threatened Environmental Claim that has been fully resolved or that could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (D) none of Saint-Gobain, its Asset Transferors or the SG Contributed Subsidiaries in connection with Saint-Gobain's Business, has entered into, agreed in writing to, or is subject to, any judgment, decree, order or other similar requirement of or written agreement with any Governmental Authority under any Environmental Laws, other than any such judgment, decree, order or other requirement or agreement that could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (E) no Releases of Hazardous Materials have occurred at, in, to, on, under or are emanating from any SG Owned Real Property or SG Leased Real Property or any real property formerly owned, operated, leased or occupied by Saint-Gobain or its Affiliates in connection with Saint-Gobain's Business (or any of their respective predecessors) that are, in each case, (1) in violation of applicable Environmental Laws; (2) in amounts, levels or concentrations that are required to be investigated or remediated under applicable Environmental Laws or by a Governmental Authority; or (3) are in excess of applicable remediation standards under applicable Environmental Laws, other than any such Release of Hazardous Materials that could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (F) no Person has been exposed to any Hazardous Materials on or prior to the Closing Date, at, in, to, on under or emanating from any SG Owned Real Property or SG Leased Real Property or any real property formerly owned, operated, leased or occupied by Saint-Gobain or its Subsidiaries in connection with Saint-Gobain's Business (or any of their respective predecessors) that could result in an Environmental Claim other than any such Environmental Claims that could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (G) neither Saint-Gobain nor its Affiliates in connection with Saint-Gobain's Business has any liability under applicable Environmental Laws and there are no Environmental Claims with respect to the off-site transportation, treatment, storage or disposal of Hazardous Materials or the arrangement for the same by or on behalf of Saint-Gobain or its Affiliates in connection with Saint-Gobain's Business other than any such liability or Environmental Claims that could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (H) to the knowledge of Saint-Gobain, no SG Owned Real Property or SG Leased Real Property is identified on any lists or databases maintained by any Governmental Authorities of contaminated sites or sites requiring investigation or remediation under Environmental Laws; (I) all asbestos containing material at the SG Owned Real Property and SG Leased Real Property is in compliance with applicable Environmental Laws, other than any non-compliance that could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business; (J) none of Saint-Gobain, its Asset Transferors or the SG Contributed Subsidiaries in connection with Saint-Gobain's Business has, either expressly or by operation of law, assumed responsibility for or agreed to indemnify or hold harmless any Person for any liability or obligation, arising under or relating to Environmental Laws, other than that which could not reasonably be expected to have a Material Adverse Effect on Saint-Gobain's Business