TEMPUR-PEDIC INTERNATIONAL INC.

COMPENSATION COMMITTEE CHARTER

Charter

This charter governs the operations of the Compensation Committee (the "***Committee***") of the Board of Directors (the "***Board***") of Tempur-Pedic International Inc. (the "***Company***"). The Committee shall review the adequacy of this charter at least annually and recommend any proposed changes to the Board for its approval, although the Board shall have sole authority to amend this charter.

Membership

The Committee shall be composed of at least three directors appointed by the Board, each of whom satisfies the applicable independence requirements of the New York Stock Exchange, Inc. ("***NYSE***") and the rules and regulations of the Securities and Exchange Commission (the "***Commission***") at such time as the Company is subject to these requirements. Unless otherwise authorized by the Board of Directors, Committee members also shall qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as in effect from time to time (the "***Exchange Act***"), and "outside directors" for purposes of Section 162(m) of the Internal Revenue Code, as in effect from time to time (the ***"Code"***).

The Committee shall be appointed by the Board. To the extent that the nomination or recommendation of Committee members is delegated to the Nominating and Corporate Governance Committee of the Board or another appropriately designated and chartered Committee of the Board, such appointments shall be made pursuant to such nominations or recommendations. The chairman of the Committee shall be appointed by the Board. Committee members shall serve until their successors are duly appointed and qualified or until their earlier removal by the Board at any time.

The Committee may form and delegate any of its responsibility to subcommittees, as it deems necessary or appropriate in its sole discretion.

Meetings and Consultants

The Committee shall meet as often as it shall determine, but not less frequently than annually. The Committee shall have the authority to select, retain and terminate such compensation consultants, outside counsel and other advisors ("***Consultants***"), as it deems necessary or appropriate in its sole discretion. The Committee may invite such Consultants to attend meetings of the Committee or to meet with any members of the Committee. The Committee shall have the sole authority to approve the fees and retention terms relating to such Consultants, which fees shall be borne by the Company.

Except as otherwise provided by the Certificate of Incorporation or By-Laws of the Company, the location and operation of meetings and similar procedural matters relating to the Committee shall, to the extent applicable, be the same as those that relate to meetings of, and procedural matters concerning, the Board. The Committee shall adopt procedures regarding the recording, distribution and approval of minutes of meetings of the Committee.

Purpose and Responsibilities

The Committee shall discharge the overall responsibility of the Board relating to executive compensation, including responsibilities relating to the compensation of the chief executive officer and other executive officers, overseeing equity and long-term compensation plans, reviewing the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K (the "***CD&A***") to be included in the proxy statement and providing a Compensation Committee Report for inclusion in the proxy statement.

The Committee shall have the following authority and responsibilities:

- To review and approve on an annual basis the corporate goals and objectives with respect to compensation for the chief executive officer. The Committee shall evaluate at least once a year the chief executive officer's performance in light of these established goals and objectives and based upon these evaluations shall determine and approve the chief executive officer's annual compensation, including salary, bonus, incentive, equity compensation, perquisites and other personal benefits.

- To review on an annual basis the Company’s compensation structure for executive officers (other than the chief executive officer), including perquisites and other personal benefits, and make recommendations to the Board regarding the compensation of these executive officers.

- To review on an annual basis the Company’s compensation policies with respect to the compensation of employees whose compensation is not otherwise set by the Committee or the Board.

- To oversee the development of executive succession plans and the leadership development and training of the Company's executive team.

- To review on an annual basis and make recommendations to the Board the compensation structure of directors, including incentive and equity based compensation plans.

- To review the Company's incentive compensation and other stock-based plans and recommend changes in such plans to the Board as needed. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.

- To review and discuss with management the CD&A, and based on such review and discussions, make recommendations to the Board that the CD&A be included in the Company's proxy statement.

- To prepare and publish an annual Compensation Committee Report in the Company's proxy statement as required by the Exchange Act.

- To review executive officer compensation for compliance with Section 16 of the Exchange Act and Section 162(m) of the Code, and other applicable laws, rules and regulations.

- To review and approve employment agreements, severance arrangements and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.

- To prepare an annual evaluation of the Committee's performance.

- To report regularly to the Board on the Committee's activities.

- To perform any other activities consistent with this charter, the Company's by-laws and governing law, as the Committee or the Board deems appropriate.

- With respect to any reference in this Charter to NYSE or Commission requirements, the Committee shall be required to comply with these requirements when listed by the NYSE or subject to the requirements of the Commission.