



TEMPUR-PEDIC INTERNATIONAL INC.

POLICY ON COMPLAINTS OF ACCOUNTING, INTERNAL ACCOUNTING CONTROLS AND AUDITING MATTERS

Introduction

It is the policy of Tempur-Pedic International Inc. ("*Tempur-Pedic*" together with its subsidiaries, the "*Company*") to comply with all applicable legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters and to require its employees, officers, directors and others acting on behalf of the Company (each, a "*Company Party*" and collectively, the "*Company Parties*") to do likewise. Each Company Party has the responsibility to assist the Company in meeting these legal and regulatory requirements.

The Company's internal controls and operating procedures are intended to prevent, deter and remedy any violation of the applicable laws and regulations that relate to accounting, internal accounting controls and auditing matters. Even the best systems of control, however, cannot provide absolute safeguards against such violations. The Company has a responsibility to investigate and report to appropriate governmental authorities, as required, any violations of applicable legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters and the actions taken by the Company to remedy such violations.

This policy governs the process through which a Company Party, either directly or anonymously, can notify the audit committee (the "*Audit Committee*") of the Board of Directors (the "*Board*") of the Company of alleged accounting and auditing violations or concerns, including, without limitation:

- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- fraud or deliberate error in the recording and maintaining of financial records of the Company;
- deficiencies in or noncompliance with the Company's internal accounting controls;
- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; and
- deviation from full and fair reporting of the Company's financial condition.

In addition, this policy establishes a mechanism for responding to, and keeping records of, such allegations.

1. Reporting Alleged Accounting, Internal Accounting Controls and Auditing Violations or Concerns.

If a Company Party believes that the Company or any other Company Party has, or might have, violated any accounting rules, internal accounting controls procedures or auditing rules, such Company Party must immediately report any such violation or concern to *Tempur-Pedic's* Chief Financial Officer ("*CFO*") (such report, the "*Statement*"). In the event that such Company Party is the Company's CFO, he or she must immediately report such violation to *Tempur-Pedic's* Chief Executive Officer ("*CEO*") or Chairman of the Board of Directors ("*Chairman*").

The Company shall establish and maintain procedures for confidential anonymous receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls or auditing matters; and submission by employees of concerns regarding questionable accounting or auditing matters.

The Company shall provide the capability to document in writing and in sufficient detail to ensure a clear understanding by the recipients of the issues raised. Statements may be submitted anonymously.

Statements must be candid and set forth all of the information that a Company Party knows regarding the allegation or concern. In addition, Statements must contain sufficient corroborating information to support the commencement of an investigation. The Company is not required to commence an investigation if a Statement contains only unspecified wrongdoing or broad allegations without appropriate informational support.

2. Investigation of Alleged Accounting, Internal Accounting Controls and Auditing Violations or Concerns.

Upon receipt of a Statement, the CFO, CEO, or Chairman, as the case may be, will immediately notify the Audit Committee or its designee.

The Audit Committee will determine whether such Statement should be investigated by the Company's internal audit department, led by the CFO, or by the Chairman or CEO.

The CFO, CEO, or Chairman, as the case may be, will prepare and distribute a report to the Audit Committee for use in its next meeting stating the nature of any Statement that has been referred for investigation, whether or not any such Statement was determined to be material and the status of any investigation relating thereto.

The Audit Committee will ensure coordination of each investigation and will have overall responsibility for implementation of this policy. The Audit Committee will have the authority to retain such independent counsel and other advisors in any investigation, as it deems necessary or advisable to conduct the investigation in accordance with its charter.

3. No Retaliation for Submitting Statements of Alleged Violations or Concerns.

The Company will not retaliate, and will not knowingly permit any Company Party to retaliate, against any Company Party who submits a Statement pursuant to this policy even if after investigation the Company determines that no violation has occurred.

4. Corrective Action.

It is the responsibility of the Company and each Company Party, with the oversight of the Audit Committee, to prevent or correct noncompliance of the legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters. This is the Company's legal obligation. A violation can subject the Company and Company Party to legal liability, regulatory investigation and adverse publicity, which can damage the Company's reputation and business.

5. Retention of Statements by Employees.

All Statements submitted by Company Party will remain confidential to the extent practicable and legally possible. In addition, all written Statements, along with the results of any investigations relating thereto, will be retained by the Company according to the Company's record retention policy.

6. Violation of this Policy.

All Company Parties must follow the procedures outlined herein before any Company Party reports alleged violations or concerns to any news medium, government agency or similar body. Complaints by Company Parties that do not follow this procedure will constitute a policy violation. Adhering to this policy is a condition of employment or other association with the Company. The Company must have the opportunity to investigate and remedy any alleged violations or concerns reported by Company Parties and each Company Party must ensure that the Company has an opportunity to undertake such an investigation.