



TEMPUR-PEDIC INTERNATIONAL INC.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Charter

This charter governs the operations of the Nominating and Corporate Governance 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. Notwithstanding the foregoing, a non-independent director may serve on the Committee to the extent allowed pursuant to any and all transitional rules or exemptions specified by the NYSE and the Commission, including but not limited to the transitional rules in effect pending the effectiveness of NYSE Rule 303A.

The Committee shall be appointed by the Board in its sole discretion. 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

The Committee shall meet as often as it shall determine, but no less frequently than annually. In addition, the Committee shall meet as often as it deems necessary to carry out its duties as they may relate to the filling of vacancies on the Board or other Committees of the Board at times other than the time of the annual meeting of shareholders of 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 primary responsibilities of the Committee are to identify individuals qualified to become members of the Board, consistent with criteria approved by the Board, and recommend to the Board the director nominees for each annual shareholders' meeting, and to take a leadership role in shaping the corporate governance of the Company. The Committee is also responsible for oversight of the evaluation of the Board and management of the Company.

The Committee shall have the following authority and responsibilities:

- The Committee shall develop, or determine that there have been developed, appropriate criteria for identifying properly qualified directorial candidates. All such criteria must be approved by the Board. The committee shall review these criteria on an annual basis and make recommendations to the Board regarding approval or modification of these criteria.
- The Committee shall identify individuals believed to be qualified to become members of the Board. The committee shall recommend to the Board the nominees to stand for election as directors at each annual meeting of stockholders, or, if applicable, at each special meeting of stockholders. In the case of a vacancy in the office of a director, including a vacancy created by an increase in the size of the Board, the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by stockholders. In nominating candidates, the Committee shall take into consideration such factors as it deems appropriate, but in all cases the recommendations of the Committee must be consistent with the criteria for identifying qualified candidates approved by the Board.
- The Committee shall establish procedures to assist the Board in developing and evaluating potential candidates for executive positions, including the chief executive officer, and to oversee the development of executive succession plans.
- The Committee shall develop and recommend to the Board a set of corporate governance guidelines by which the Company shall operate. These corporate governance guidelines shall comply in all respects with all requirements of the NYSE and shall be posted on the Company's website. The Committee shall review these guidelines on an annual basis.
- The Committee shall establish procedures to exercise oversight of the Company's adherence to its corporate governance guidelines and the evaluation of the Board and Company management.
- The Committee shall report regularly to the Board concerning the actions and recommendations of the Committee. The Committee shall prepare on an annual basis an internal performance evaluation of the Committee and report such performance evaluation to the Board. This evaluation should discuss the goals and objectives of the Committee, the performance of the Committee in light of the requirements of this charter, and any Committee recommendations concerning changes to this charter, the Company's criteria for identifying directorial candidates or the Company's corporate governance guidelines.

- The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. This shall include the sole authority to engage, retain and terminate independent search agencies to assist the Committee in identifying qualified director candidates if the use of such independent search agencies is necessary or useful in the Committee's sole discretion. The Committee shall have the sole authority to review and approve the search agency's compensation and other retention terms. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any such independent search agencies or other advisors.