



2015 WARRANTY POLICY

What's the short elevator pitch?

- We have further simplified our warranty program to a 10-year non-prorated warranty for all of our national product lines. (Some select promotional lines may have less than 10 years.)

Why wait until 2015 to implement this policy?

- We want to communicate our planned changes without compromising our current product introductions or retailer commitments. In addition, full implementation of these policies require some additional product changes, revisions to our warranty cards/brochures and changes in retail display materials. We will introduce a new warranty card in 2015 with new graphics and the simplified warranty. The date of new card has not yet been finalized.

Why did we change from the 5/10/15 year 3-tier policy we announced earlier in 2014?

- While our research clearly showed the increased value consumers place in the warranty as price points increased, many retailers expressed concerns over the expectations a longer warranty sets for product lifespan and the potential impact these expectations have on purchase cycles.
- After hearing additional input from retailers over concerns about the 15-year tier, we further simplified of our program to 10 years for **all** our products.

Many in the industry have asked for even shorter warranty lengths. If shorter warranty lengths won't reduce the purchase cycle, what will?

- We know the issue of extended product purchase cycles is not an industry specific issue, but rather a broader economic issue. According to a recent Bloomberg analysis of US Bureau of Economic Analysis data, the average age of consumer durable goods across over 20 product categories is at its highest level since the early 1960s. Looking at these other industries you will see that innovation is the key focus of shortening these purchase cycles. Likewise, it is our belief that innovative products with a compelling step up story will help reduce the purchase cycle in the mattress industry, which is why we have made significant investments to drive compelling innovation in our newest product launches.

What are the basic terms of the warranty policy?

- 10 years for all products including Beautyrest Recharge®, Beautyrest Recharge® Ultra, Beautyrest Recharge® World Class™, Beautyrest Memory Foam, Beautyrest Memory Foam Plus, Beautyrest Black®, ComforPedic® from Beautyrest®, ComforPedic iQ™, Simmons CURV, and Simmons BeautySleep®
 - No proration
 - Claims require 1.5" depression on innerspring / 0.75" on memory foam
 - New plan begins 1/1/15