
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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) May 27, 2015

TEMPUR SEALY INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-31922
(Commission
File Number)

33-1022198
(I.R.S. Employer
Identification No.)

1000 Tempur Way
Lexington, Kentucky 40511
(Address of principal executive offices) (Zip Code)

(800) 878-8889
(Registrant's telephone number, including area code)

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

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 (see General Instruction A.2. below):

- 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))
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INTRODUCTORY COMMENT

Throughout this Current Report on Form 8-K, the terms “we,” “us,” “our” and “Company” refer to Tempur Sealy International, Inc.

Item 1.01 Entry Into a Material Definitive Agreement

Amendment to Employment Agreement

On May 27, 2015, pursuant to Sections 6.3 and 6.8 of the Employment and Non-Competition Agreement by and between the Company and Mark A. Sarvary, dated as of June 30, 2008 (the “Employment Agreement”), the Company and Mr. Sarvary mutually agreed to amend the Employment Agreement (the “Amendment”) to add two subsections to the Employment Agreement to address technical issues on the timing of various severance and separation payments to be paid to Mr. Sarvary if and when he separates from the Company.

The description of the Amendment above does not purport to be complete and is qualified in its entirety by reference to the Employment Agreement, a copy of which was filed as Exhibit 10.1 to Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on June 30, 2008, and the Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Letter Agreement

As previously disclosed in the Company’s Current Report on Form 8-K filed with the SEC on May 11, 2015, Mr. Sarvary stepped down from his positions as President and Chief Executive Officer of the Company, effective May 12, 2015. On May 27, 2015, the Company sent a letter to Mr. Sarvary confirming that the Company was terminating Mr. Sarvary’s employment under the Employment Agreement not for Cause (as defined in the Employment Agreement), effective May 31, 2015. Mr. Sarvary’s departure will be governed by the terms of the Employment Agreement and the Amendment and other related compensation and benefit plans. In addition to the foregoing, on May 27, 2015 the Company entered into a letter agreement with Mr. Sarvary. The letter agreement confirmed Mr. Sarvary’s termination; Mr. Sarvary provided a general release and waiver of claims; and the Company agreed to provide Mr. Sarvary with outplacement services and reimburse legal expenses, a mutual non-disparagement provision and certain other provisions relating to his departure.

The description of the letter agreement above does not purport to be complete and is qualified in its entirety by reference to the Employment Agreement, a copy of which was filed as Exhibit 10.1 to Form 8-K filed with the SEC on June 30, 2008, and the letter agreement, a copy of which is filed as Exhibit 10.2 hereto, each of which is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Mr. Sarvary’s Termination

The disclosure in Item 1.01 of this Current Report on Form 8-K regarding Mr. Sarvary’s termination is incorporated by reference into this Item 5.02.

Election of Mr. Luther as Director

On May 30, 2015, the Board of Directors of the Company (the “Board”) appointed Jon Luther to serve as a director, with a term expiring at the Company’s annual meeting of stockholders for the year 2016. The Board also appointed Mr. Luther to serve on the Nominating and Corporate Governance Committee of the Board (the “NCG”) and the CEO Search Committee of the Board. There are no agreements or understandings between Mr. Luther and any other person pursuant to which he was appointed to the Board. Neither Mr. Luther nor his immediate family has been a party to any transaction required to be disclosed under Item 404(a) of Regulation S-K.

In connection with Mr. Luther's appointment to and service on the Board and consistent with the compensation arrangements for non-employee directors as further described under the heading "Director Compensation" in the Company's 2015 Proxy Statement filed with the SEC on March 16, 2015, Mr. Luther will receive an annual cash retainer, annual equity award grant and reasonable expense reimbursement for his service on the Board, with such amounts to be pro-rated to reflect his time of service. In connection with Mr. Luther's appointment as a member of the NCG and CEO Search Committees of the Board, he will receive fees commensurate with such service.

Adoption of Retention Program

Additionally, in connection with recent changes in Board composition and the announced search for a new CEO, the Board approved on May 30, 2015 a retention program for certain members of senior management (the "Retention Program") in order to help ensure stability in the senior management team over the next year and create additional incentives to meet performance targets for 2015. The Retention Program provides that the Company will make retention bonus payments to certain members of senior management (the "Senior Executives") if two requirements are met: (i) the Company meets an adjusted EBITDA threshold (as defined in the documents creating the Retention Program) for 2015 of \$444 million (representing the consensus analysts' estimate for 2015 adjusted EBITDA as of May 27, 2015) and (ii) the particular Senior Executive is still employed at May 31, 2016 or was terminated by the Company on or prior to that date, other than for "Cause", or the Senior Executive terminated his or her employment on or before May 31, 2016 for "Good Reason" (with "Cause" and "Good Reason" having definitions based on the terms of the Senior Executive's employment agreement or the Company's Severance and Retention Plan dated as of March 18, 2013 which was filed as Exhibit 10.2 to Form 8-K filed with the SEC on October 23, 2013). The amounts to be paid to each Senior Executive are set forth below:

Tim Yaggi	Interim President and CEO	\$1,000,000
Dale Williams	EVP and CFO	\$ 500,000
Rick Anderson	EVP and President, North America	\$ 500,000
David Montgomery	EVP and President, International	\$ 500,000
Jay Spenchian	EVP and CMO	\$ 500,000
Lou Jones	EVP, General Counsel and Secretary	\$ 450,000
Brad Patrick	EVP and Chief Human Resources Officer	\$ 450,000
Barry Hytinen	EVP, Corporate Development and Finance	\$ 450,000
Bhaskar Rao	SVP, Corporate Finance and Chief Accounting Officer	\$ 300,000

The foregoing summary of the material terms of the Retention Program is not complete and is qualified in its entirety by reference to the Retention Program as outlined in the forms of letter agreements to be signed with each Senior Executive to implement the Retention Program, which are attached hereto as Exhibit 10.3 and 10.4, respectively, and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On June 1, 2015, the Company issued a press release announcing Mr. Luther's appointment to the Board. The press release is attached to this Current Report as Exhibit 99.1.

The information in this Item 7.01 (including Exhibit 99.1) shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
10.1	First Amendment to the Employment and Non-Competition Agreement, by and between the Company and Mark Sarvary, dated as of May 22, 2015
10.2	Letter agreement between the Company and Mark Sarvary, dated as of May 22, 2015
10.3	Form of Letter Agreement Outlining Retention Program for United States Executive Officers
10.4	Form of Letter Agreement Outlining Retention Program for non-United States Executive Officer
99.1	Press Release announcing the appointment of Jon Luther to the Board, dated June 1, 2015

SIGNATURES

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.

Date: June 1, 2015

Tempur Sealy International, Inc.

By: /s/ Dale E. Williams

Name: Dale E. Williams

Title: Executive Vice President & Chief Financial Officer

EXHIBIT INDEX

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**FIRST AMENDMENT TO THE EMPLOYMENT AND NON-COMPETITION AGREEMENT
(MARK A. SARVARY)**

This FIRST AMENDMENT TO THE EMPLOYMENT AND NON-COMPETITION AGREEMENT OF MARK A. SARVARY (the "Amendment") is effective as of the date executed below.

WHEREAS, Tempur-Pedic International, Inc., now known as "Tempur Sealy International, Inc. (the "Company") entered into an Employment and Non-Competition Agreement (the "Employment Agreement") with Mr. Mark A. Sarvary ("Mr. Sarvary" or "Employee") effective June 30, 2008 (both the "Parties");

WHEREAS, in conjunction with an evaluation of obligations and entitlements under the Employment Agreement, the Company and Mr. Sarvary determined that the Employment Agreement was somewhat ambiguous as to the precise dates upon which various severance and separation compensations described in Section 3.2 thereof would be paid upon Mr. Sarvary's separation from service with the Company;

WHEREAS, the Parties to the Employment Agreement determined that an amendment thereto would be appropriate to clarify the time at which separation compensations would be provided and to ensure compliance with Internal Revenue Code Section 409A;

WHEREAS, the Employment Agreement provides that the Parties agree pursuant to Section 6.3 that the Employment Agreement may be amended at any time by mutual agreement and provides pursuant to Section 6.8 that the Parties mutually agree to adopt any amendment as maybe necessary to facilitate compliance with Code Section 409A

NOW, THEREFORE, the Parties hereto agree to amend the Employment Agreement pursuant to Sections 6.3 and 6.8 as follows:

1. The following is added as a separate paragraph at the end of Section 3.2(a):

"The payments described in clauses (i), (ii), (iii) and (iv) above shall be made, or commence in the case of payments described under clause (iii) above, on the Company's first regular payroll date that occurs after the required waiver and release becomes irrevocable but in no event later than 90 days following Employee's separation from employment; provided, however, that (a) such waiver and release shall be delivered to the Employee on or before the 14th day following separation from employment and (b) if such payments could be paid (or commence to be paid) in or during either of two calendar years depending on the date such waiver and release is executed by Employee and delivered to the Company, such payments shall be made (or commence to be made in case of the payments described in clause (iii) above) on the later of January 15, or the date such release is delivered and becomes non- revocable, of such later calendar year."

2. The following is added as a separate paragraph at the end of Section 3.2(b):

“The payments described in clause (iii) above shall be made on the Company’s first regular payroll date that occurs after the required waiver and release becomes irrevocable but in no event later than 90 days following Employee’s separation from employment; provided, however, that (a) such waiver and release shall be delivered to the Employee on or before the 14th day following separation from employment and (b) if such payments could be paid (or commence to be paid) in or during either of two calendar years depending on the date such waiver and release is executed by Employee and delivered to the Company, such payments shall be made (or commence to be made in case of the payments described in clause (iii) above) on the later of January 15, or the date such release is delivered and becomes non-revocable, of such later calendar year.”

IN WITNESS WHEREOF, the parties have executed this Amendment to the Employment Agreement as of this 22nd day of May, 2015.

The Company
TEMPUR SEALY INTERNATIONAL, INC.

By: /s/ Brad Patrick 5/27/15
Title: Executive Vice President, Chief Human
Resources Officer

Employee

/s/ Mark Sarvary 5/25/15

Tempur Sealy International, Inc.
1000 Tempur Way
Lexington, Kentucky 40511

May 22, 2015

Mark A. Sarvary
c/o Tempur Sealy International, Inc.
1000 Tempur Way
Lexington, KY 40511

Re: Termination of Employment

Dear Mr. Sarvary:

On June 30, 2008 you and Tempur Sealy International, Inc., a Delaware corporation (formerly known as "Tempur-Pedic International Inc." and referred to below as the "Company"), entered into an Employment and Non-Competition Agreement (as amended by the First Amendment thereto, the "Employment Agreement"). Each capitalized term used herein but not defined shall have the meaning ascribed to it in the Employment Agreement.

In accordance with the termination right granted to the Company in Section 3.1(a) of the Employment Agreement, this letter will confirm the Company has terminated your employment not For Cause, with your termination of employment to be effective May 31, 2015, and you agree not to apply for or accept future employment with the Company or any of its wholly or partially owned subsidiaries or affiliates. This letter serves as notice and confirmation of your termination of employment with the Company. We have provided a separate letter confirming the details of your exit package under the Employment Agreement (the "Confirmation Letter").

We would also like to take this opportunity to remind you that, notwithstanding the termination of your employment with the Company, certain of your obligations under the Employment Agreement and other agreements that you may have signed during your employment with the Company continue. These obligations include, but may not be limited to, obligations relating to Confidential Information and Trade Secrets, as well as non-competition and non-solicitation, as set forth in Article IV of the Employment Agreement.

This letter agreement will also confirm our agreement on several other matters, as follows:

1. Cooperation. You agree that through July 31, 2015 you will be reasonably available by phone and email for consultation on transition matters and providing information to other members of the senior management team and the Company's Board of Directors.

2. Reimbursement of Legal Expenses. The Company agrees to reimburse you for reasonable fees and expenses of your legal counsel in connection with providing advice with respect to your departure and the review and negotiation of this letter agreement and related exit documentation, up to a total of \$10,000. This reimbursement will be made promptly after receipt of supporting documentation in reasonable detail.

3. Non-Disparagement. The Company agrees that it will not issue any press release or make any other official public statements that disparage you; provided however, that nothing in the foregoing shall be deemed to prevent the Company from complying with its disclosure obligations under applicable law, legal process, subpoena, the rules of any stock exchange, or legal requirement or as part of a response to a request for information from any governmental authority with jurisdiction over the party from whom information is sought. You agree that you will not issue any press release or make any other public statements that disparage the Company; provided however, that nothing in the foregoing shall be deemed to prevent you from complying with your disclosure obligations under applicable law, legal process, subpoena, the rules of any stock exchange, or legal requirement or as part of a response to a request for information from any governmental authority with jurisdiction over the party from whom information is sought.

4. Computer Files. The Company will provide you with a copy of your Outlook and calendar list from your computer.

5. Outplacement Services. The Company will provide you with outplacement services from a vendor selected by the Company, so long as the total cost for the services does not exceed \$50,000.

6. Release and Waiver. As consideration for the promises and consideration made by the Company in Sections 1-5 of this letter agreement, and as a condition precedent to receiving certain of the payments and benefits set forth in the Confirmation Letter, you agree as follows:

6.1 Definitions. You agree that, by entering into this letter agreement, you are binding your heirs, executors, administrators, insureds and assigns, as well as any and all others acting through or on your behalf. You also agree that your release of the Company, set out below, includes a release of the Company's present and former parent(s), wholly owned or partially owned subsidiaries and affiliates as well as all of their agents, directors, stockholders, officers, employees, representatives, attorneys, divisions and all of their predecessors, successors, heirs, executors, administrators and assigns, in each case in its capacity as listed above (collectively, the "Releasees").

6.2 Full General Release of All Claims. You agree to release the Releasees from any and all legal and equitable claims, of any nature whatsoever, against any of the Releasees, arising out of events occurring before, on or as of the date of execution of this letter agreement as set forth on your signature line hereto.

6.3 Specific Release of All Other Employment Law Claims. You agree that, except as provided in Section 6.6 of this letter agreement, claims being released under Section 6.2 include, but are not limited to, any and all claims against Releasees arising under any federal, state or local statutes, ordinances, resolutions, regulations or constitutional provisions and/or common law(s), from any and all actions, causes of action, lawsuits, debts, charges, complaints, liabilities, obligations, promises, agreements, controversies, damages and expenses of any and every nature whatsoever, both legal and equitable, whether known or unknown, which you had, have ever had, now have or may have against them, including, but not limited to, (a) any and all claims which were, or could have been asserted in any lawsuit, (b) any and all claims arising out of your employment by the Company and separation from said employment, (c) any and all claims of discrimination or retaliation arising under local, state or federal law including, but not limited to, Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e et seq.; 42 U.S.C. §§ 1981, 1981A, 1983 and 1985; the Americans With Disabilities Act, 42 U.S.C. §§ 12101 et seq.; the Federal Rehabilitation Act of 1973; the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.; Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 301 et

seq.; Executive Order 11246, each, as amended, and all other such similar statutes, city or county ordinances or resolutions and anti-discrimination laws of the Commonwealth of Kentucky; (d) any and all tort claims including, but not limited to, claims of wrongful termination, constructive discharge, defamation, invasion of privacy, interference with contract, interference with prospective economic advantage and intentional or negligent infliction of emotional distress and outrage, (e) any and all contract claims whether express or implied, (f) any and all claims for unpaid wages, benefits or entitlements asserted under the Fair Labor Standards Act, 29 U.S.C. §§ 201 et seq. or under Kentucky wage and hour laws, (g) any and all claims for unpaid benefits or entitlements asserted under any Company plan, policy, benefits offering or program except as otherwise required by law, (h) any and all claims under Kentucky workers' compensation laws, (i) any and all claims for attorneys' fees, interest, costs, injunctive relief or reinstatement to which you are, claim to be or may be, entitled, and (j) any and all claims of age discrimination under the Age Discrimination in Employment Act, 29 U.S.C. §§ 621 et seq., as amended, or under local or state civil rights laws.

6.4 Release of ADEA Claims. By execution of this letter agreement, you expressly waive any and all rights or claims arising under the Age Discrimination in Employment Act of 1967 ("**ADEA**"), 29 U.S.C. § 621 **et seq.**, and further expressly acknowledges and understands the following: (a) that the waiver set forth in this paragraph, including all subparagraphs, is between you as an individual and the Company and the Releasees, and is written in a manner that is fully understood by you; (b) that the waiver set forth in this paragraph, including all subparagraphs, refers to rights or claims arising under the ADEA; (c) that by your execution of this letter agreement, you do not waive any rights or claims under the ADEA that may arise after the date this letter agreement is executed; and (d) that the waiver of rights or claims arising under the ADEA contained in this letter agreement is in exchange for the consideration set forth herein and is above and beyond that to which you are entitled;

6.5 Assignment of All Claims. Except as reserved in Section 6.6 below, you hereby assign to the Company, without restriction, any and all suits, actions, charges or claims, of any nature whatsoever, known or unknown, accrued or not accrued, against any of the Releasees. You, for and on behalf of you and your beneficiaries, executors, administrators, successors, assigns, and anyone claiming through or under any of the foregoing, agree that they will not file or otherwise submit any charge, claim, complaint, arbitration request, or action to any agency, court, organization, or judicial forum, including but not limited to all federal, state, and local forums, against the Releasees. Nor will you permit any person, group of persons, or organization to take such action on your behalf against the Releasees arising out of any actions or non-actions on the part of the Releasees arising before execution of this letter agreement. You further agree that in the event that any person or entity should bring such a charge, claim, complaint, or action on your behalf, you hereby waive and forfeit any right to recovery under said claim and will exercise every good faith effort to have such claim dismissed. The provisions of this paragraph or any other paragraph in this letter agreement shall not be construed to prevent you from filing a charge with the Equal Employment Opportunity Commission or similar agency, only to the extent you are permitted to do so by law, notwithstanding the provisions of this letter agreement to the contrary. **You understand that the provisions of this Section mean that, except as may otherwise be provided by law, you cannot bring a lawsuit in any forum (whether it be foreign, federal, state, or local) against the Releasees for any reason.**

6.6 Only Exceptions to Release and Assignment. Notwithstanding any other provisions of this letter agreement, nothing in this letter agreement shall be construed to be a release or assignment of any claim by you for the following: (a) claims against the Company for failure to perform its obligations under this letter agreement; (b) claims against the Company for failure to perform its obligations under the Employment Agreement or any of the equity award agreements referred to in the Confirmation Letter; and (c) for retirement benefits under any pension, retirement or retirement savings plan qualified under Section 401(a) of the Internal

Revenue Code of 1986, as amended, in which you are a participant by virtue of your employment with the Company, to benefit claims under any employee welfare benefit plan, including disability or life insurance, based on events occurring after your execution of this letter agreement, or to any rights you may have to continued health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986. To obtain disbursements pursuant to any plan identified in this Section, you shall provide the Company with any necessary notices and elections required by the plan documents, ERISA, and any other applicable laws.

6.7 Representations Concerning Certain Claims. You acknowledge that as of the date this letter agreement is executed, you: (a) have not suffered a work-related injury that has not been properly disclosed to the Company; and (b) have been paid in full all wages due and owing for any and all work performed for the Company, and that you are not aware of any facts or circumstances constituting a violation by the Company of the Fair Labor Standards Act, the Kentucky wage act or wage orders, or similar state laws.

6.8 Return of Property. You agree to return all Company property prior to the end of May 31, 2015, other than the laptop computer recently given to you by the Company.

7. Notice. You agree you will promptly provide the Company a new address for any notices to be delivered pursuant to Section 6.1(b) of the Employment Agreement.

8. Miscellaneous. This letter agreement, together with the Employment Agreement and the equity award agreements referred to in the separate Confirmation Letter constitute the entire understanding and the full and complete agreement of the parties and supersedes and replaces any prior understandings and agreements among the parties with respect to the subject matter hereof. The provisions of Article V (“Agreement to Submit All Existing Disputes to Binding Arbitration”) and Section 6.3 (“Amendment”), Section 6.4 (“Assignability”), Section 6.5 (“Severability”), Section 6.6 (“Waiver of Breach”), Section 6.7 (“Governing Law; Construction”) and Section 6.8 (“Tax Compliance”), of the Employment Agreement will apply to this letter agreement.

9. No Wrongdoing by You or the Company. It is understood and agreed by the parties to this letter agreement that nothing in this letter agreement or the related Confirmation Letter or Employment Agreement constitutes an admission of any liability, violation of law or wrongdoing of any kind or nature whatsoever on the part of either the Company, the Releasees or you.

10. Consideration. You acknowledge that you have been advised to consult with an attorney of your choice prior to signing this letter agreement; and that you have been given at least twenty-one (21) days to review and consider the contents of this letter agreement, but that you may choose to execute the letter agreement sooner. You further acknowledge that this letter agreement is being signed by you knowingly and voluntarily without coercion or duress and that it is revocable for a seven (7) day period after execution, after which it will become automatically effective and enforceable without any further act by you unless specifically revoked by you during such seven (7) day period. You understand that the severance pay outlined in this letter, the Confirmation Letter and the Employment Agreement, and any other consideration hereunder, are conditional upon your execution of this letter agreement and will not be paid until after the seven (7) day revocation period has expired. You further agree and understand that if you revoke, attempt to revoke or otherwise breach this letter agreement, you must return to the Company the full amount of any severance pay received or provided to you as set forth above or in the Confirmation Letter or in the Employment Agreement, without offset for any reason at the time of revocation or breach.

11. Your Representations and Warranties. You represent and warrant that you have done nothing prior to signing this letter agreement that would violate or that is contrary to any of the covenants set forth herein or in the Confirmation Letter or Employment Agreement. You acknowledge that the Company is entering into this letter agreement and the Confirmation Agreement in reliance upon your warranties and representations herein and in the Confirmation Letter and Employment Agreement.

You have been a great leader for the Company over the years you have served as CEO, and you can be proud of your many accomplishments at Tempur Sealy. We thank you for your service to the Company and wish you the best of luck in your future endeavors.

Please sign where indicated below to confirm your agreement with the foregoing.

Best regards,

TEMPUR SEALY INTERNATIONAL, INC.

By: /s/ Brad Patrick 5/27/15

Title: Executive Vice President, Chief Human
Resources Officer

Agreement Confirmed:

/s/ Mark Sarvary Date: May 25, 2015
Mark Sarvary

[Date]

[Name of Eligible US-based Employee]

[ADDRESS]

Dear [Name of Eligible US-based Employee]:

As you know, Tempur Sealy International, Inc. (“Tempur Sealy” or the “Company”) recently experienced a change in leadership. In order to encourage you to remain with the Company and to create additional incentives to meet the Company’s performance goals for 2015, you have been selected to participate in a Retention Program as more fully described in Appendix A attached to this letter (the “Retention Program”).

In accordance with and subject to the terms and conditions of the Tempur Sealy International, Inc. Severance and Retention Plan (the “Retention Plan”)¹ the following is an outline of the Retention Program applicable to you:

Retention Performance Criteria: The Company appreciates and values your service as an important part of the executive team. You have been approved to receive a cash retention award provided you:

1. remain employed through May 31, 2016 (the “Retention Period”) and fulfill each of your employment obligations and other applicable Retention Plan requirements (except as set forth below); and
2. the Company satisfies a threshold Adjusted EBITDA target for the year ending December 31, 2015, as defined in the Retention Program attached to this letter as Appendix A.

Cash Retention Award: In accordance with the Retention Plan, you will be entitled to a cash retention award (the “Cash Award”) in the amount of \$[Dollar Amount] if the Retention Performance Criteria described above are met. The Cash Award will be paid in a single lump sum within 60 days following the last day of the Retention Period, if the Cash Award is considered earned. If, prior to the end of the Retention Period, the Company terminates your employment other than for “Cause” or you resign from your employment for “Good Reason,” each as defined in the Retention Plan,² the Cash Award will be paid as described in Appendix A to this letter. You will not be entitled to receive the Cash Award if your employment terminates for any other reason prior to the end of the Retention Period.

¹ Please note, the agreement for each eligible employee who has an employment agreement will contain the following clause between the words “Plan” and “the”: “...and consistent with your employment agreement dated [date]”.

² Please note agreement for each eligible employee who has an employment agreement which defines the term “Cause” or “Good Reason,” will, if applicable, define such term as it is defined in his or her employment agreement.

Your employment with the Company is considered at-will. This means that either you or the Company may terminate your employment at any time, with or without cause. Accordingly, neither this letter, nor any other oral or written representations, should be considered a contract for a specific period of time.

Retention benefits paid or payable under this Retention Program are subject to the provision of the Retention Plan and applicable law, including but not limited to Section 3.3 governing tax withholding obligations and Section 7.17 governing treatment of payments subject to Section 409A of the Internal Revenue Code of 1986, as amended from time to time.

Please sign and return one copy of this letter to me to signify your agreement to participate in the Retention Program described in this letter. Should you have any questions or require clarification of any aspects of this Retention Program, please do not hesitate to contact me.

Sincerely,

W. Timothy Yaggi
Interim President and Chief Executive Officer
Tempur Sealy International, Inc.

Date: _____

[Name of Eligible US-based Employee]

Date: _____

Executive Retention Program
May , 2015

In accordance with and subject to the terms and conditions of the Tempur Sealy International, Inc. Severance and Retention Plan (the “Retention Plan”), this executive retention program (the “Retention Program”) has been developed to address retention concerns as a result of the recent change in leadership at both the Board of Directors and the Executive level.

- **Eligibility and Rationale**

Executive Committee members play a critical leadership role as the Company evolves and works through the changes ahead and delivers on the commitments to stockholders, consumers, customers and all associates. As a result, Executive Committee members (referred to as “Executives”) have been selected to participate in this Retention Program developed under the Retention Plan to reinforce the Company’s commitment to these eligible participants as the Company works through the changes and creates greater clarity for the business.

- **Retention Performance Criteria**

Executives have been approved to receive a cash retention award if the following criteria are met:

- Executive remains employed through May 31, 2016 (the “Retention Period”) and fulfills employment obligations and other applicable Retention Plan requirements (except as set forth herein); and
- Company meets an “Adjusted EBITDA Threshold” for 2015 as described below

- **Cash Retention Award**

The cash retention award will be paid in a single lump sum within 60 days following the last day of the Retention Period provided the retention performance criteria described above are met.

If the Company terminates the Executive’s employment other than for “Cause” or the Executive resigns from employment for “Good Reason” (as defined in Retention Plan or, if the Executive has an employment agreement, in the Executive’s employment agreement) prior to the end of the Retention Period, the cash retention award will be paid in a single lump sum within 60 days following the later of:

- Executive’s termination of employment, provided that the Executive has delivered an executed release and waiver in a form satisfactory to the Company and such release has become effective prior to the close of such 60 day period; and
- the date the Compensation Committee and the Board of Directors have determined that the “Adjusted EBITDA Threshold,” as defined below, has been met.

Executives will not be entitled to receive the cash retention award if they terminate for any other reason before the end of the Retention Period – May 31, 2016.

- **Retention Program Administration**

This Retention Program will be administered by the Compensation Committee (“Compensation Committee”) of the Board of Directors of the Company as the designee of the administering “Committee” as defined in the Retention Plan, and the Compensation Committee will have the full power and authority to administer and interpret this Retention Program.

Executive Retention Program
May , 2015

All determinations by the Compensation Committee in administering and interpreting the provisions of this Retention Program will be final, conclusive and binding on the Company, the eligible employees selected to participate in the Retention Program and all other interested parties in accordance with Section 5.3 of the Retention Plan.

Retention benefits paid or payable under this Retention Program are subject to the provision of the Retention Plan and applicable law, including but not limited to laws and regulations governing tax withholding and similar obligations.

• **“Adjusted EBITDA” For Purposes of Retention Program**

Except as noted below, all calculations are to be based on generally accepted accounting principles (“GAAP”) applied on a basis consistent with Tempur Sealy’s financial statements included in its SEC filings, except that all calculations will be on a constant currency basis using 2015 spot foreign exchange rates in effect on April 17, 2015 except for the period from January 1, 2015 to March 31, 2015.

Definition:

- “Adjusted EBITDA” with respect to Tempur Sealy, means Tempur Sealy’s consolidated net income adjusted to exclude interest expense, taxes, depreciation and amortization (including stock based compensation amortization) and other adjustments that are allowed under the Company’s 2012 Credit Agreement with respect to the definition of “Consolidated EBITDA” to be excluded from Consolidated EBITDA, on a constant currency basis as described above and in any event including the adjustments described below if the Compensation Committee exercises its discretion.

Minimum Performance:

- No cash retention award will be payable if the “Adjusted EBITDA Threshold” of \$444 million is not achieved for the year ended December 31, 2015. The Adjusted EBITDA Threshold (\$444 million) represents the consensus analysts’ estimate as of May 27, 2015 (based on the simple average of Adjusted EBITDA for those Wall Street analysts that cover Tempur Sealy).

Adjustments to Adjusted EBITDA Threshold:

- Discretionary Adjustments: In its determination of whether the Adjusted EBITDA Threshold has been satisfied, the Compensation Committee shall have the discretion to include or exclude certain items not contemplated in the Company’s April 21, 2015 Financial Forecast utilized by the Company to update financial guidance on the 1st quarter Earnings Call held on April 28, 2015, including but not limited to: restructuring charges, asset impairments, gains/(losses) related to sales of assets, gains/(losses) from litigation or regulatory actions, effect of changes in accounting principles and/or tax laws, separation costs incurred related to the prior CEO, costs incurred to recruit and retain a new CEO, costs incurred associated with the 2015 Annual Meeting and related events and similar stockholder actions in the future, costs incurred related to the Retention Program or any other unusual or non-recurring item or items.

[Date]

[Name of Eligible non-US based Employee]
[address]

Dear
[Name of Eligible non-US based Employee]:

As you know, Tempur Sealy International, Inc. (“Tempur Sealy” or the “Company”) recently experienced a change in leadership. In order to encourage you to remain with the Company and to create additional incentives to meet the Company’s performance goals for 2015, you have been selected to participate in a Retention Program as more fully described in Appendix A attached to this letter (the “Retention Program”).

In accordance with and subject to the terms and conditions of the Tempur Sealy International, Inc. Severance and Retention Plan (the “Retention Plan”), and consistent with your employment agreement dated [date], the following is an outline of the Retention Program applicable to you:

Retention Performance Criteria: The Company appreciates and values your service as an important part of the executive team. You have been approved to receive a cash retention award provided you:

1. remain employed through May 31, 2016 (the “Retention Period”) and fulfill each of your employment obligations and other applicable Retention Plan requirements (except as set forth below); and
2. the Company satisfies a threshold Adjusted EBITDA target for the year ending December 31, 2015, as defined in the Retention Program attached to this letter as Appendix A.

Cash Retention Award: In accordance with the Retention Plan, you will be entitled to a cash retention award (the “Cash Award”) payable in [Eligible Employee’s local currency] in an amount equivalent to \$[specified amount in USD] on the date of payment, if the Retention Performance Criteria described above are met. The Cash Award will be paid in a single lump sum within 60 days following the last day of the Retention Period, if the Cash Award is considered earned. If, prior to the end of the Retention Period, the Company terminates your employment pursuant to Section 14.1 of your Employment Agreement or you resign from your employment for “Good Reason” as defined in the Retention Plan, the Cash Award will be paid as described in Appendix A to this letter. You will not be entitled to receive the Cash Award if your employment terminates for any other reason prior to the end of the Retention Period.

Retention benefits paid or payable under this Retention Program are subject to the provision of the Retention Plan and applicable law, including but not limited to Section 3.3 governing tax withholding obligations and Section 7.17 governing treatment of payments subject to Section 409A of the Internal Revenue Code of 1986, as amended from time to time.

Please sign and return one copy of this letter to me to signify your agreement to participate in the Retention Program described in this letter. Should you have any questions or require clarification of any aspects of this Retention Program, please do not hesitate to contact me.

Sincerely,

W. Timothy Yaggi
Interim President and Chief Executive Officer Tempur Sealy
International, Inc.

Date: _____

[Name of Eligible non-US based Employee]

Date: _____

Executive Retention Program
May , 2015

In accordance with and subject to the terms and conditions of the Tempur Sealy International, Inc. Severance and Retention Plan (the “Retention Plan”), this executive retention program (the “Retention Program”) has been developed to address retention concerns as a result of the recent change in leadership at both the Board of Directors and the Executive level.

- **Eligibility and Rationale**

Executive Committee members play a critical leadership role as the Company evolves and works through the changes ahead and delivers on the commitments to stockholders, consumers, customers and all associates. As a result, Executive Committee members (referred to as “Executives”) have been selected to participate in this Retention Program developed under the Retention Plan to reinforce the Company’s commitment to these eligible participants as the Company works through the changes and creates greater clarity for the business.

- **Retention Performance Criteria**

Executives have been approved to receive a cash retention award if the following criteria are met:

- Executive remains employed through May 31, 2016 (the “Retention Period”) and fulfills employment obligations and other applicable Retention Plan requirements (except as set forth herein); and
- Company meets an “Adjusted EBITDA Threshold” for 2015 as described below

- **Cash Retention Award**

The cash retention award will be paid in a single lump sum within 60 days following the last day of the Retention Period provided the retention performance criteria described above are met.

If the Company terminates the Executive’s employment other than for “Cause” or the Executive resigns from employment for “Good Reason” (as defined in Retention Plan or, if the Executive has an employment agreement, in the Executive’s employment agreement) prior to the end of the Retention Period, the cash retention award will be paid in a single lump sum within 60 days following the later of:

- Executive’s termination of employment, provided that the Executive has delivered an executed release and waiver in a form satisfactory to the Company and such release has become effective prior to the close of such 60 day period; and
- the date the Compensation Committee and the Board of Directors have determined that the “Adjusted EBITDA Threshold,” as defined below, has been met.

Executives will not be entitled to receive the cash retention award if they terminate for any other reason before the end of the Retention Period – May 31, 2016.

- **Retention Program Administration**

This Retention Program will be administered by the Compensation Committee (“Compensation Committee”) of the Board of Directors of the Company as the designee of the administering “Committee” as defined in the Retention Plan, and the Compensation Committee will have the full power and authority to administer and interpret this Retention Program.

Executive Retention Program
May , 2015

All determinations by the Compensation Committee in administering and interpreting the provisions of this Retention Program will be final, conclusive and binding on the Company, the eligible employees selected to participate in the Retention Program and all other interested parties in accordance with Section 5.3 of the Retention Plan.

Retention benefits paid or payable under this Retention Program are subject to the provision of the Retention Plan and applicable law, including but not limited to laws and regulations governing tax withholding and similar obligations.

• **“Adjusted EBITDA” For Purposes of Retention Program**

Except as noted below, all calculations are to be based on generally accepted accounting principles (“GAAP”) applied on a basis consistent with Tempur Sealy’s financial statements included in its SEC filings, except that all calculations will be on a constant currency basis using 2015 spot foreign exchange rates in effect on April 17, 2015 except for the period from January 1, 2015 to March 31, 2015.

Definition:

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Minimum Performance:

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Adjustments to Adjusted EBITDA Threshold:

- Discretionary Adjustments: In its determination of whether the Adjusted EBITDA Threshold has been satisfied, the Compensation Committee shall have the discretion to include or exclude certain items not contemplated in the Company’s April 21, 2015 Financial Forecast utilized by the Company to update financial guidance on the 1st quarter Earnings Call held on April 28, 2015, including but not limited to: restructuring charges, asset impairments, gains/(losses) related to sales of assets, gains/(losses) from litigation or regulatory actions, effect of changes in accounting principles and/or tax laws, separation costs incurred related to the prior CEO, costs incurred to recruit and retain a new CEO, costs incurred associated with the 2015 Annual Meeting and related events and similar stockholder actions in the future, costs incurred related to the Retention Program or any other unusual or non-recurring item or items.

TEMPUR+SEALY

TEMPUR SEALY NAMES JON L. LUTHER AS DIRECTOR

LEXINGTON, KY, JUNE 1, 2015 – Tempur Sealy International, Inc. (NYSE: TPX), the world’s largest bedding provider, today announced that its Board of Directors has voted to elect Jon L. Luther to the Board of Directors and the Nominating and Corporate Governance Committee of the Board of Directors. Mr. Luther will also serve on the CEO Search Committee formed by the Board of Directors to lead the search for a new Chief Executive Officer for the Company.

Jon L. Luther served as Chief Executive Officer of Dunkin’ Brands from January 2003 to January 2009 and Chairman from March 2006 to January 2009. In January 2009, he assumed the role of Executive Chairman and became non-Executive Chairman from July 2010 until his retirement in May 2013. Prior to Dunkin’ Brands, Mr. Luther was President of Popeyes, a division of AFC Enterprises, from February 1997 to December 2002. Prior to Popeyes, Mr. Luther served as President of CA One Services, a subsidiary of Delaware North Companies, Inc. and served as President and CEO of Benchmark Services, Inc., a food services company he founded. Earlier in his career, Mr. Luther held various leadership positions at Marriott Corporation and ARAMARK. Mr. Luther is a member of the board of directors of Six Flags Entertainment Corporation and Brinker International, Inc., and is the Chairman of the Board of Arby’s Restaurant Group. Mr. Luther holds a degree in hotel and restaurant management from Paul Smith’s College.

“I am pleased to welcome Jon Luther to our Board of Directors. He is a proven business leader, with a strong track record of profitably growing large global consumer branded businesses. Jon has a keen understanding of the consumer and notable brand development expertise. As CEO of Dunkin’ Brands, he led the company’s highly successful brand repositioning under the “America Runs on Dunkin” marketing umbrella. He also has significant relevant experience as a public company CEO and a director of other high-performance public companies. I am confident Jon will make substantial contributions to our Company as one of our two new independent directors added to the Board since our 2015 Annual Meeting,” stated Frank Doyle, Chairman of the Board of Directors.

Mr. Luther said, “I am honored to join the Board of Directors of Tempur Sealy, an iconic globally-recognized company with best-in-class products, brands and employees. I look forward to collaborating with my fellow directors and the management team to generate value for all of the Company’s stockholders.”

About the Company

Tempur Sealy International, Inc. (NYSE: TPX) is the world’s largest bedding provider. Tempur Sealy International develops, manufactures and markets mattresses, foundations, pillows and other products. The Company’s brand portfolio includes many of the most highly recognized brands in the industry, including Tempur®, Tempur-Pedic®, Sealy®, Sealy Posturepedic®, Optimum™ and Stearns & Foster®. World headquarters for Tempur Sealy International is in Lexington, KY. For more information, visit www.tempursealy.com or call 800-805-3635.