

COMPANY RESOURCES AND INFORMATION

Internal Control Systems

Internal controls are put into place to safeguard Simmons' assets, to provide for the accuracy and reliability of its financial reporting and to assure compliance with the law.

All associates are responsible for complying with Simmons policies and procedures and for advising their supervisors when business controls are ineffective or being circumvented. You can contact the [Open Door Line](#) if you have questions or information to report.

Simmons Time and Funds

To be successful, every associate must make the best use of his or her time and that of co-workers. All members are expected to fulfill their job responsibilities and devote the necessary time to their work, while pursuing their individual work-life goals. Those required to report their hours worked must do so truthfully and accurately.

How each associate uses Simmons funds impacts profitability, so follow a simple rule: protect Simmons funds as you would your own, guarding against misuse, loss or theft. This includes making sure that all claims, vouchers, bill and invoices are accurate and proper.

Simmons funds include both cash and its equivalents, such as currency, checks, postage, charge cards, bills, vouchers and reimbursement claims.

Simmons Property and Resources

All associates are responsible for using good judgment to ensure that Simmons' assets are not misused or wasted. Simmons assets are intended to help associates achieve business goals. Careless, inefficient or illegal use of Company property hurts all of us. These assets are to be used only for Company business and must be returned to Simmons upon termination of employment.

Proprietary or Confidential Information

Simmons regularly produces valuable, non-public ideas, strategies and other kinds of business information. This information is called "proprietary information" or "confidential information" which means that Simmons owns the information, just as it does other kinds of property. Because it is the product of Simmons' own hard work, various laws allow Simmons to protect this information from use by outsiders. Some examples of Simmons proprietary or confidential information are:

- Sales, marketing and other corporate data bases;
- Marketing strategies and plans;

- Personnel records;
- Research and technical data;
- Program/joint venture agreements;
- Customer/vendor lists;
- Proposals;
- Contract price list;
- development information; and
- New product development.

All associates must protect the confidentiality of this proprietary or confidential information to ensure that we reap the benefits of our own hard work.

Sometimes an associate may need to share proprietary or confidential information with persons outside Simmons – for example, so that a commercial business partner the company has selected to work with can be an effective partner for us. However, even when there may seem to be a legitimate reason to share proprietary information, never disclose such information without management’s prior approval and under a written confidentiality agreement approved by the Legal Department.

Computer Use and Network Security

Computer technology – hardware, software, networks and the information that runs on them – are critical to business success. And everyone who uses a computer plays a role in ensuring these resources operate as they should. This means all associates must:

- use these computers responsibly and primarily for legitimate business purposes, and
- protect the security of computer systems.

Good judgment should guide your use of computers, but the following guidelines can help.

Never:

- engage in electronic communications that might be considered offensive, derogatory, defamatory, harassing, obscene or otherwise vulgar,
- use Company electronic communications systems to improperly disseminate copyrighted or licensed materials,

- participate in any manner in Internet or other on-line bulletin boards or chat rooms on matters concerning Simmons,
- use Company electronic communications to transmit chain letters, advertisements or solicitations (unless authorized).

Always:

- Protect information used to access Company networks, including IDs and passwords, pass codes and building-access key cards.

Personal Use of Communication and Information Systems

Our internal electronic communications systems, such as e-mail, voice mail, paging, and telephone services are used primarily for Company business, and not for personal use. The Computer Usage Policy defines the requirements and restrictions for electronic information systems usage.

We are permitted to use Simmons' Internet access, email, paging, FAX and telephone systems for incidental or occasional personal use, as long as the use:

- Does not affect job performance or disrupt others.
- Is truly occasional in nature.
- Is not related to any business other than Simmons'.
- Does not result in any additional cost to Simmons.
- Does not access or transmit material containing derogatory racial, gender or religious comments, sexual content, offensive language, material which would negatively reflect upon Simmons or be likely to offend co-workers, or contents prohibited by law.
- Is not used to solicit funds, collect signatures, conduct membership drives, distribute literature or gifts, sell merchandise or services, or carry on any other form of business without approval.

Personal toll calls or other similar expenses must not be charged to official company credit cards or telephones. Personal local calls should be kept to a minimum and you may be required to reimburse Simmons for any charges resulting from your personal use of the phone.

Your personal privacy is not protected on these systems, and you should have no expectation of privacy when using these systems.

Insider Trading

Many associates have access to proprietary or other non-public information in the course of their daily activities that, if disclosed, could affect the market value of other

companies' securities. Federal laws and Securities and Exchange Commission (SEC) regulations prohibit the use of this insider information when trading in or recommending transactions in corporate securities or in publicly traded options on these securities. You are prohibited from trading the securities of any company while in the possession of material, non-public information about that company that was obtained in any way through your employment. There is a serious legal risk associated with disclosing such information to others who might use that information to buy or sell securities, even if the member does not benefit from the use of that information. Such discussion can result in criminal or civil charges against the provider and receiver of the information. Determining what information is "material" is often difficult. The Legal Department will provide guidance on the proper action in each situation.

Example: In the course of your work you learn that Simmons is considering entering into a sales agreement with a publicly traded company. You should assume the information is non-public until after Simmons has publicly disclosed the transaction and the market has had time to assimilate the information.

Associates may participate in the IPO of any company except that of any customer, supplier or competitor of Simmons. Exceptions to this rule will be dealt with on a case by case basis by the Legal Department.

In order to protect the investing public, securities laws make it illegal for those with "inside information" to buy or sell securities (stocks, bonds, options, etc.).

- ▶ "Inside information" means information that
 - is not available to the public, and
 - is "material."

- ▶ "Material information," in turn, means information that a reasonable investor would likely consider important in deciding whether to purchase or sell a security.

Many of our associates may have inside information simply by virtue of their positions.

Inside information might include, for example:

- introduction of an innovative new product;
- significant new contracts;
- changes in dividends;
- mergers, acquisitions and joint ventures;
- major developments in litigation;
- earnings statements and forecasts;

- expected governmental actions; and
- licensing agreements.

If you have knowledge of any of these kinds of information – and the information is non-public – this is inside information, and no associate of Simmons may buy or sell securities using it.

► **No “Tips.”** The rule also applies to people outside of Simmons who get the information from one of our associates (an associate’s spouse, friends, broker, etc.). This means you must never give someone outside Simmons a “tip” regarding non-public inside information; this includes discussions on Internet “chat rooms.”

► **Information from another company.** Inside information can also be information you obtained confidentially during the course of your work about another company – for example, from a business partner or supplier.

Securities law violations are taken very seriously and can be prosecuted even when the amount involved was small or the “tipper” made no profit at all. Government agencies regularly monitor trading activities through computerized searches.

Associates (and outsiders they are associated with) who have inside information can lawfully trade in the market once the information is made public through established channels and enough time has passed for the information to be absorbed by the public. Associates who have regular access to inside information must generally limit their trading of company securities to specified “window periods.”

If you have questions or concerns about your responsibilities under the insider trading laws, contact the Legal Department for further guidance.

Question: A supplier sold Simmons a software system on a trial-run basis. I have heard the trial run was a success and we are going to buy this company’s system. I bet other companies will follow our lead. My sister-in-law invests in tech stocks and knows a lot about them. Can I tell her about this and let her decide whether she thinks this company is a good investment?

Answer: Absolutely not. The information you have about our plans to use this company’s product is confidential inside information. If you convey it to your sister-in-law, you are violating our policy not to divulge confidential proprietary information. If you or your sister-in-law use the information to invest, you may also be violating the securities laws.

Records Management

Simmons maintains records on and off premises and periodically purges records that are very old and not subject to specific retention requirements. No other documents are destroyed without the consent of the Legal Department.

Associates will be notified when certain records are placed on legal hold. A legal hold suspends all destruction procedures to preserve appropriate records under special circumstances, such as litigation, audits or government investigations. The Legal Department determines and identifies which types of records and documents are relevant to current and pending legal holds and notifies the appropriate business units when legal holds are issued and released. If you believe that records in your possession are, or may be, the subject of litigation, audit or a government investigation, you must consult with the Legal Department prior to destroying those records.

Unsolicited Ideas

Employees of Simmons are sometimes approached by persons outside our company with ideas or suggestions they think we should use. These ideas can involve products, packaging, promotions, advertising, processes, equipment, business methods and other topics.

Unfortunately, if these “unsolicited ideas” are not properly dealt with our company risks liability. For this reason, do not accept or in any way encourage offers of unsolicited ideas. If you receive such a letter, forward it to the Legal Department and they will respond if appropriate.