

ASHLEY DISPUTES OSHA ALLEGATIONS

Company Continues its Commitment to Employee Safety and Well-Being, Demonstrated by Continued Improvement in Safety Performance

Arcadia, Wisconsin – Ashley Furniture Industries, Inc. strongly disputes the allegations issued today by the U.S. Occupation Safety and Health Administration (OSHA) regarding the company's safety operations in its Arcadia, Wisconsin facility. The Company strongly disagrees with each and every one of the agency's assertions and believes the proposed penalties are grossly inappropriate and over-zealous. To clarify, OSHA's announcement is not a finding of fact, but rather only an allegation, Ashley strongly disagrees with each and every opinion of the agency, and looks forward to the opportunity to present our evidence in the proper setting.

"At Ashley, each employee's safety and well-being is an absolute priority," said Steve Ziegeweid, Ashley Director of Health and Safety. "In the past five years, Ashley has lowered our incident rate by 14 percent and our *'days away, restricted or transferred'* rate by 28 percent – demonstrating our commitment to real and tangible improvements in safety across our company."

Ashley Furniture has been in discussions for several weeks with OSHA officials in Wisconsin regarding operations at our Arcadia facility, specifically regarding inspectors' conclusions stemming from inspections in 2009 and their subsequent opinions regarding safety features and procedures of certain machinery. Ashley trains our employees to follow applicable "lock-out/tag-out" procedures when maintaining or repairing certain equipment, which requires machines to be completely disabled while certain activities are performed. Ashley also trains our employees to follow applicable safeguards for "minor servicing" of equipment, as provided by established rules and regulations, such as changing drill bits and other routine operations. Ashley has continued to disagree with inspectors' conclusions regarding the application of the appropriate procedures – that is, when full "lock-out/tag-out" rules are necessary, and when "minor servicing" rules are appropriate. Despite our best efforts, we continue to disagree with the agency's conclusions and the inspectors' interpretations of various regulations. The agency's document uses terms like "serious," "repeat" and "willful" – which are definitions in their regulations. We do not believe such regulatory terminology reflects Ashley's proven commitment to safety.

To provide perspective to the statistics noted in OSHA's news release, Ashley highlights four important considerations:

- First, Ashley reported about 880 individual cases of all injuries and illnesses during the three years from 2012 to 2014 at its Arcadia facility. These numbers are provided by Ashley on self-reports that we file on each and every employee illness or injury – including certain strains, sprains, and various cuts and bruises. This demonstrates the detail to which Ashley focuses on the safety and well-being of each of our 4,500 employees in Arcadia.
- Second, less than one-in-four of these cases required any time away from work. While any injury or illness is unacceptable at Ashley, it is clear that a vast majority of the cases are relatively minor in nature, demonstrating our achievements to-date and our focus on continuous improvement across all aspects of our operations. The most common injury was

muscle strains and sprains, which has been the focus of Ashley's ongoing ergonomics programs.

- Third, employees logged more than 22.5 million working hours in Arcadia during the last three years, which underscores the magnitude of our responsibility to employee safety and well-being.
- Lastly, in the past five years, Ashley has lowered our incident rate by 14 percent and our 'days away, restricted or transferred' rate by 28 percent, demonstrating our commitment to real and tangible improvements in safety across our company. At Ashley, each employee's safety and well-being is an absolute priority.

"While we are disappointed by our inability to resolve our differences with the agency, we remain confident in our safety programs and procedures, as well as in our commitment to continuous improvement and commitment to employee safety and well-being," Ziegeweid said. "We look forward to the opportunity to present our evidence to OSHA's allegations in the proper legal setting."