SPROUTS FARMERS MARKET

DELEGATION OF AUTHORITY POLICY
(Effective June 1, 2023)

I. PURPOSE

This Delegation of Authority Policy ("**Policy**") sets out the matters specifically reserved for determination by the Board of Directors (the "**Board**") of Sprouts Farmers Market, Inc. (the "**Company**"), and the limits of authority designated to specified positions of responsibility within the Company.

II. MATTERS RESERVED FOR THE BOARD

In addition to all matters that the Board is required to approve as a matter of law, by the Company's certificate of incorporation, other governing documents, or in the proper exercise of its fiduciary duties, the following matters shall require the approval of the Board or an authorized committee of the Board:

1. Selection, appointment, and removal of senior officers of the Company (defined as the Company's principal executive officer (CEO), principal financial officer (CFO), and the Company's three other highest compensated executive officers), and prescription of such powers and duties for them as may not be inconsistent with applicable laws or the Company's organizational documents.

2. All compensation arrangements with an executive leadership team member.

3. Issuance, sale, exchange, redemption, cancellation or purchase of equity or options of the Company from time to time upon such terms as may be lawful in the State of Delaware or as defined in the Company's equity plan.

4. Any distributions to stockholders or dividends made with respect to the Company's stock.

5. Adoption of consolidated operating and capital budgets for the Company and its subsidiaries and any material amendments or modifications thereto; any material deviation in strategic operation of the Company.

6. Sale by the Company or its subsidiaries of any real property or other assets having a net book value or fair market value of more than $6,000,000.

7. Any commitment or contract in excess of budgeted levels or unbudgeted made by the Company or its subsidiaries involving more than $6,000,000 annually. This does not include inventory purchased in the ordinary course of business.

8. Adoption of any annual bonus or long-term compensation plan in the form of equity applicable to team members of the Company and specific approval of payments of cash or options under these plans to the CEO and his direct reports.

9. Determination of annual increases in compensation or determination of annual bonus compensation for the CEO and all senior officers.

10. Settlement by the Company or its subsidiaries of any legal claim involving payment or forbearance in excess of $2,500,000.

11. Appointment of auditors for the consolidated financial statements of the Company or its subsidiaries or any significant change in accounting principles.

12. Establishment and adoption of corporate policy regarding political issues or any material deviation or amendment of such adopted policies.

13. Any material contract or other material transaction between the Company or its subsidiaries and one or more of its directors, officers or any entity in which such directors or officers have a financial interest (other than their interests in the Company or its subsidiaries) or any other transaction where there are inherent conflicts of interest between the individual and the Company.

14. Any material changes in credit agreements or refinancing, unless otherwise delegated hereunder.

15. Any payment in response to a ransomware demand.

III. DELEGATION TO MANAGEMENT

Except for the matters always reserved for the Board in Section II above, and any matter delegated to management in accordance with this Policy, the Board delegates all of its powers to the CEO to manage and operate the Company on a day-to-day basis.

IV. DEFINITIONS:

- **CEO**: Chief Executive Officer
- **CFO**: Chief Financial Officer
- **President/COO**: President and Chief Operating Officer
- **CMeO**: Chief Merchandising Officer
- **CMO**: Chief Marketing Officer
- **CLO**: Chief Legal Officer
- **CSOO**: Chief Store Operations Officer
- **CSO**: Chief Strategy Officer
- **ELT**: Executive Leadership Team, comprised of CEO, CFO, President/COO, CMeO, CMO, CLO, CSOO, CSO, all SVPs and any other senior executive officer as designated by the Company from time to time
- **SVP:** Senior Vice President
- **VP:** Vice President
- **Cost Center Owner:** generally, this is a Director level team member at the Company's Store Support Office

Changes to officers' titles from time to time shall not require an amendment to this Policy, provided the principal functions of such officers remain relatively consistent with the authorities delegated to their roles under this Policy.

V. GENERAL:

This Policy represents the Company's requirements for controls surrounding commitment and disbursement of Company funds. The Policy includes controls and guidelines surrounding disbursement authority, responsibilities, and other internal control guidelines related to cash disbursements for Company obligations, including payroll payments to associates and accounts payable payments to vendors and other third parties. Noncompliance with this policy subjects the Company to risk of financial loss and may result in disciplinary action up to and including termination.

Compliance with this policy shall be monitored by the Legal, Finance & Accounting, and Human Resources teams. Internal controls set forth in this policy and shall be subject to testing by the Company's Internal Audit team and external auditors on a periodic basis.

1. Authorization Matrix

As outlined in Sprouts Finance Policy 7.00, "Invoice Approvals and Processing", all disbursements are subject to the following limits:

Title	*Maximum Approval Limits (USD)*	*Additional Approval Requirements*
Store Manager, Assistant Store Manager & Service Manager (or equivalents)	*$10,000*	*No additional approval required*
Department Director[(a)] or District Director	*$100,000*	*No additional approval required*
Vice President	*$500,000*	*No additional approval required*
ELT Member (inc. Senior Vice President)	*$1,000,000*	*No additional approval required*
Chief Financial Officer or President/COO	*Unlimited[(b)]*	*> $1,000,000 requires 2nd Approval by other CFO/President/COO or CEO*
Chief Executive Officer	*Unlimited[(b)]*	*> $1,000,000 requires 2nd Approval by CFO or President/COO*

(a) Represents the assigned Cost Center Owner. For those departments without a Department Director, the Department Manager shall have the authority limits delegated to Department Directors (subject to an approved Delegation of Authority form).

(b) This is subject to limitations of the Delegation of Approval policy for those items that require full Board approval.

2. Combining Transactions

Dividing a commitment or transaction (or an invoice relating to a commitment or transaction) into two or more parts to evade a limit of authority is prohibited and is a violation of this Policy. This Policy shall be interpreted broadly so that a series of reasonably related transactions shall be considered as a single transaction for purposes of determining approval and authority levels required by this Policy.

3. Delegation of Authority to Subordinates

It is emphasized that individuals having a lower level of approval authority than the specified commitment or transaction requires cannot approve such commitment or transaction, except pursuant to a Delegation of Authority Form ("**DOA Form**"). Authority may be designated based on business needs or on a temporary basis whenever an individual with approval authority will be out of the office for prolonged periods. Delegations of authority can only be authorized via the DOA Form and approved by the supervisor of the individual who is delegating authority. Approved DOA Forms should be submitted to the Senior Director of Accounting Services in support of the Workday Business Process authorizations. A temporary delegation must specify the effective length of time. A DOA Form can be obtained from the Legal Department.

4. Compliance Documentation

Team members executing contracts and approving transactions or invoices are required to ensure that all appropriate approvals and reviews required by this Policy and the Company's other policies and procedures have been obtained, and to ensure that appropriate documentation of these approvals is maintained. Appropriate documentation can take various forms, including the signing of a contract or agreement, approval of a requisition or invoice in Workday, signifying approval via email, signing or initialing of invoices, final contracts, approval forms, internal signature sheets or memorandums. All contracts and other written agreements shall be maintained with documentation of the appropriate approvals and the original or a copy sent to the Company's Legal Department for filing.

5. Policy Interpretations and Amendments

It may be necessary for the Company to issue interpretations of various provisions of this Policy as unanticipated facts and circumstances occur that are not specifically addressed in this Policy. Such interpretations shall be approved by the CLO and/or CFO or their respective designees. In addition, from time to time the Company may elect to amend this Policy to change specific delegations of authority contained herein. For any matters not reserved to the Board, such Policy amendments shall be approved by the CFO and CLO; Board approval shall be required for amendments to matters reserved for the Board.

VI. CONTRACTS, CAPEX, AND OTHER COMMITMENT APPROVALS

1. General

For purposes of this Policy, a "contract" is any written agreement between the Company and or its subsidiaries and another party to provide or receive goods and/or services in exchange for financial consideration. **Except as provided herein, only VPs and above are authorized to execute contracts or enter into agreements (written or oral) on behalf of the Company or otherwise bind the Company in any way**.

It is the responsibility of the individual executing a contract or agreement to ensure that the proper level of legal review is completed. Requests for legal review shall be made on a timely basis to allow for a meaningful review of contracts prior to execution. Only when the underlying transaction, contract or agreement has been properly approved and satisfactory evidence is available that the obligation is due, shall disbursement of Company funds be permitted.

2. Contract Approval Authority

All contracts, agreements and commitments, or modifications to existing contracts or agreements, are subject to the following authority limits based on total committed or expected expenditures under the contract:

Title	**Authority Level**
CEO	$2,500,000 or higher[1]
CFO or President/COO	Up to $2,500,000
All Other ELT	Up to $1,000,000
Department VP	Up to $500,000

[1] Contracts with committed or expected expenditures over $2,500,000 require a second approval from an ELT member.

Any contract, agreement or commitment, or modification to the foregoing, that will (i) result in an obligation of the Company and/or its subsidiaries exceeding $25,000, or (ii) have a term beyond one year **requires review by the Legal Department**. Any contract, agreement or commitment, or modification to the foregoing, that will (i) result in an obligation of the Company and/or its subsidiaries exceeding $250,000, also **requires review by the Accounting Department**. All leases are subject to Legal and Accounting Department review irrespective of the commitment involved as outlined in **Section VI.4 and VI.6** below. The review of the Legal and/or Accounting Department shall be evidenced in writing or electronically and shall be completed prior to the execution of or entry into such contract, agreement, commitment, amendment, letter or memorandum of intent, or modification thereof, as applicable.

In addition, any contract, agreement, commitment or modification (x) containing prepayment terms (*i.e.*, the upfront payment of cash or other assets for goods or services to be received at a later date) of $500,000 or more, or (y) would exceed the department budget by over $500,000, **requires the approval of the CFO (or designee)**.

All payments made under a properly approved/executed contract may be approved subject to the approval limits set forth in the Authorization Matrix above. In addition, if a project or expenditure has been approved by the Company's Investment Committee ("**IVC**"), SVPs or VPs may execute the related contract(s) and approve all related expenditures up to the amount for such project approved by the IVC. Expenditures in excess of the IVC-approved amount shall be subject to the approval limits set forth in the Authorization Matrix above.

3. Capital Expenditures

All capital expenditures must have an approved budget and related Asset Purchase Requisition (APR) or other approval support established prior to issuing purchase orders and committing the Company into obligations. Capital budgets and related invoice approvals are outlined below.

A. <u>New Stores and Remodels</u>

All new store and remodel projects must be reviewed by the Real Estate Committee or Capital Committee, as applicable, and approved by the CFO in accordance with the Company's previously approved annual capital expenditure budget. Once approved, a VP of Construction or above may enter into a Company-approved standard construction agreement for the project; any exceptions to the Company form must be approved by the Legal Department. The CSO may approve increases for individual projects not to exceed $50,000, provided that such increases must not exceed the previously approved annual budget for new stores and remodels in the aggregate. Invoices for previously approved projects must be approved in accordance with the following authority limits:

Title	**Authority Level**
CSO or Construction VP	$250,000 or higher
Construction/Real Estate Director	Up to $250,000
Construction/Real Estate Manager	Up to $100,000

B. <u>Annual Initiatives (cap-ex)</u>

Budgets for cap-ex initiatives (excluding new stores/remodels) such as sales initiatives, BPS initiatives, IT initiatives, expense initiatives, and repair & maintenance initiatives must be approved by the CFO in accordance with the Company's previously approved annual capital expenditure budget. Invoices for previously approved projects must be approved in accordance with the following authority limits:

Title	**Authority Level**
Department VP, SVP	$250,000 or higher
Department Director	Up to $250,000
Department Manager	Up to $100,000

C. <u>Other Capital Expenditures</u>

Miscellaneous capital expenditures, including unbudgeted cap-ex, that do not fall within the categories set forth above (VI.3A & 3B.) must be approved in accordance with the following authority limits.

Title	**Authority Level**
CEO/CFO	$50,000 or higher
All Other ELT	Up to $50,000
Department VP	Up to $25,000
Department Director	$10,000

4. Real Estate Leases

The terms of all real estate leases (including new leases and sub leases) must be reviewed by the Real Estate Committee and recommended to the CEO for approval. Renewals of existing leases must be reviewed and approved by a subset of the Real Estate Committee to include the CFO and CSO. The CEO, CFO or CSO may execute any real estate leases previously approved by the Company's Real Estate Committee. VPs or Directors within the Legal or Real Estate departments may execute non-monetary real estate lease amendments and ancillary documents (*e.g.*, SNDAs and estoppel certificates) provided such agreements have been reviewed or on a form document approved by the Company's Legal Department.

5. Intellectual Property

All agreements involving the Company's intellectual property, including but not limited to the Company's trademarks, must be approved by the Legal Department. Any technology licenses and similar arrangements involving the licensing of another party's technology by the Company or licensing of the Company's technology must be approved by the SVP of Information Technology and the Legal Department.

6. Personal Property/Equipment Leases

Since all leases, capital or operating, are subject to certain limitations and restrictions under the Company's credit facilities, it is imperative that the Company monitor and control all lease arrangements on a centralized basis. Therefore, all leases require review by the Legal and Accounting Departments prior to execution.

VII. BANKING, INVESTMENT, AND TAX MATTERS

1. Borrowing Funds

Subject to Section II of this Policy, only the CEO and CFO are authorized to borrow funds under the Company's existing credit facilities. However, the VP of IR & Treasury and the Director of Treasury may borrow up to $10,000,000 from the Company's existing credit facilities for the repurchase of shares per the Company's Board-approved share repurchase programs or ongoing working capital needs from time to time; borrowings over $10,000,000 require approval by the CFO.

2. Granting Liens

Approvals by the CFO and the CLO are required in order to grant a lien on any Company asset.

3. Opening/Closing Bank Accounts

Only the VP Controller or VP of IR & Treasury may approve opening or closing of bank accounts.

4. Letters of Credit and Guarantees

Approvals by the CFO or VP of IR & Treasury (either) and the CLO are required prior to executing any parent or other guarantee of any subsidiary, third-party obligation, or any letter of credit. Letters of credit and guarantees shall be interpreted broadly to include surety bonds, bid bonds, make-whole and keep-well letters and agreements and similar understandings (i.e., commitments to ensure performance, make up any deficits, cause the Company to perform, and similar type language).

5. Investor Relations/External Communications

In accordance with the Company's Disclosure Policy, other than marketing in the ordinary course of the Company's business conducted by the CMO or his designees, only the CEO, CFO, President/COO, CLO, VP IR & Treasury or their designee is authorized to contact, disclose, or share information regarding the Company with the public (in press releases or otherwise), including analysts, portfolio managers, or reporters. Any earnings and related releases must be approved by the CEO, CFO, CLO, VP IR & Treasury and the Audit Committee of the Board, if any.

6. Tax and Financial Information

Information to be provided to the Internal Revenue Service or other taxing authority will require approval by the Company's Tax Department. Property tax returns or other state and local tax filings require approval of the Tax Department.

Provision of financial information to third parties will require approval of the CFO or the Legal Department.

VIII. EMPLOYMENT RELATED MATTERS

1. Hiring and Termination of Team members

Approval for the hiring and termination of non-officer team members is addressed in the Company's various human resource policies.

2. Team member Agreements and Certain Offers of Employment

All employment agreements and written offer letters shall be reviewed by the HR Department. Unless otherwise authorized in writing, only the CEO or SVP of Human Resources (or their respective designees) may execute an employment agreement subject to Board approval as required.

3. Severance Agreements

All severance agreements shall be reviewed by the Legal Department. Unless otherwise authorized in writing, only the CEO or SVP of Human Resources (or their respective designees) may execute a severance agreement.

4. Bonus Plans

Store Support bonus plans must be approved by the CEO, CFO and SVP of Human Resources. Store-level bonus plans must be approved by the CFO, CSOO and SVP of Human Resources. All bonus plans shall be administered by the HR Department.

IX. LEGAL MATTERS

1. Hiring Legal Counsel

Only the CLO or Legal Department designees shall have the authority to hire legal counsel or authorize the engagement of legal counsel.

2. Settling Claims and Commercial Disputes

Litigation: Approval of the CLO or designee is required prior to settling any Company or subsidiary litigation or threat of litigation (including any administrative proceeding in front of a governmental/regulatory agency). Notwithstanding the foregoing, Company attorneys may approve settlements of ordinary course general liability and workers' compensation claims subject to the approval limits set forth in the Authorization Matrix above.

Commercial Claims (non-litigation): In situations in which the settlement of claims does not involve litigation (for instance, settlement of warranty claims), each Department VP must approve all commercial settlements within the Department, and the CLO or Legal Department designees shall approve any settlements above $100,000.

Insurance Claims/Refunds: All insurance claims filed by a Department require approval of the Legal Department. Approval by the CLO will also be required for those settlements in excess of $100,000. In addition, the resolution of disputed claims must have the approval of the CLO.

3. Formation/Dissolution of New Legal Entities

Only the CLO may authorize the formation/dissolution of a new entity, following approval by the Board, as needed. Approval of the Company's Tax Department and CFO also are required prior to the formation/dissolution of any such entity.

4. Powers of Attorney

Approval of the CLO is required prior to the execution of any power of attorney. Only the CEO, CFO, or CLO may execute a power of attorney unless (1) expressly designated by such officer in writing or (2) otherwise required by the constituent documents of the relevant subsidiary, in which case, the appropriate corporate officer of the subsidiary will execute the power of attorney.

5. Related Party Transactions

Approval of the CLO is required for any contract or other transaction between the Company or its subsidiaries and one or more of its directors, officers or any entity in which such directors or officers (or their family members and related persons) have a direct or indirect material interest (other than their interests in the Company or its subsidiaries). The CLO shall determine the materiality of the contract or transaction and submit to the Board for approval as needed.

6. Insurance Premiums

Expenditures for insurance premiums pursuant to policies reviewed by the Company's Legal Department, approved by the CEO and/or CLO, as applicable, and contemplated by the Company's annual budget may be approved by the CLO.

X. CHARITABLE CONTRIBUTIONS

Monetary or in-kind charitable contributions in excess of previously budgeted amounts shall be subject to approval of the Executive Director of the Sprouts Healthy Communities Foundation pursuant to its giving guidelines.

XI. NON-MONETARY SIGNATURE AUTHORITY

Department Managers and above may enter into agreements on behalf of the Company that do not require the exchange of financial consideration (*e.g.*, confidentiality agreements); provided such agreements have been reviewed or are on a form document approved by the Company's Legal Department.