

2026 Quarterly Store Leadership Bonus Plan

Effective December 29, 2025

About the Plan

Sprouts Farmers Market (the “company”) offers a quarterly cash incentive plan (the “plan”) for eligible store team members (the “Participants”) on overall store performance, as well as to promote an atmosphere of camaraderie and teamwork. The plan is designed to:

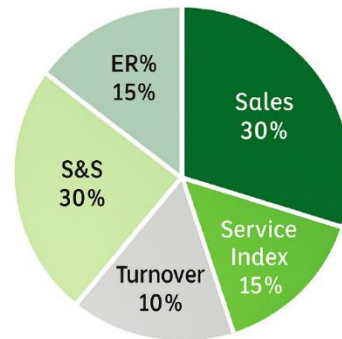
- Reward exceptional financial performance and operational execution
- Support our company’s pay-for-performance philosophy
- Encourage team members to work together to achieve key business objectives
- Encourage team members to remain employed by the company

Please note that all plan conditions must be satisfied to earn bonus compensation under the plan.

Plan Overview

Each Participant will have the opportunity to earn a bonus based on the performance of certain store metrics. Each metric will be measured independently in which a portion of bonus can be earned. Under this Plan, Participants can earn a bonus from:

- 30% Store Sales Performance
- 30% Store Shrink and Supplies
- 15% Store ER%
- 15% Service Index
- 10% Turnover



Eligible Jobs and Bonus Targets:

- Store Manager – 25% of quarterly eligible earnings
- Assistant Store Manager – 15% of quarterly eligible earnings
- Service Manager:
 - Tier 1 - \$950
 - Tier 2 - \$1,130
- Department Managers:
 - Tier 1 - \$495
 - Tier 2 - \$595

Store Tier	Average Weekly Sales
Tier 1	Less than \$325,000
Tier 2	At least \$325,000

**The tier chart is used to determine which tier a store will be set, based on the store’s average weekly sales.*

Actual payout amount is based on the Participant’s eligible position within the Plan Period. Please see the Plan Administration Table for eligibility information following mid-quarter promotions and/or transfers.

How the Plan Works

The store leadership bonus will be paid quarterly. A portion of the bonus is earned on the performance of each individual metric as described below:

■ **Store Sales Performance:**

30% of the quarterly bonus can be earned through the performance of actual store sales to forecasted store sales*. The amount of payout on this metric is based on the sales performance scale:

Example:

- Actual sales = \$2,500,000
- Forecasted sales = \$2,475,000
- Sales Performance = 101.01%
- Bonus Payout % = 105%

**Store sales forecasts are subject to quarterly reviews based on the implementation of new sales enhancements (remodels, sales initiatives, relocations, etc.) and/or competitive intrusion events resulting in the changing of the marketplace.*

Sales Performance Percent to Target	Bonus Payout %
110%+	270%
109%	230%
108%	200%
107%	180%
106%	160%
105%	145%
104%	130%
103%	120%
102%	110%
101%	105%
100%	100%
99%	90%
98%	80%
97%	70%
96%	60%
95%	50%
<95%	0%

■ **Store Shrink & Supplies:**

30% of the quarterly bonus is based on the performance of actual shrink and supplies to forecasted shrink and supplies. Performance based on dollars if sales target not met and rate if sales are above target. Bonus payout is achieved on this metric with store performance **at or below 101%** for the Plan Period.

■ **Store ER% (Efficiency Rate):**

15% of the quarterly bonus is based on the performance of actual labor hours vs earned labor hours. Bonus payout is achieved on this metric if actual store ER% is **at or above 100%** for the Plan Period.

■ **Service Index:**

15% of the quarterly bonus is based on the stores Service Index score. Bonus payout is achieved on this metric if actual Service Index score meets or exceeds goal provided at the beginning of the quarter.

■ **Turnover:**

10% of the quarterly bonus can be earned through meeting or exceeding the turnover goal by store. Targets will be provided at the beginning of each quarter.

Quarterly Bonus Calculation Examples

Quarterly Store Performance Example Data:

Metric	Performance Achieved	Bonus Payout % Achieved	Metric Weighting	Weighted Payout % <i>(Payout % x Metric Weight)</i>
Sales	104%	130%	30%	39%
S&S	99.5%	100%	25%	25%
ER%	100.5%	100%	15%	15%
Service Index	Met Target	100%	15%	15%
Turnover	Met Target	100%	15%	15%

Total Weighted Payout % Achieved = **109.0%** of Target Bonus
(39% + 25% + 15% + 10% + 10% + 10%)

Assistant Store Manager Example

- Bonus Target = 15% of eligible earnings
- Quarterly Eligible Earnings = \$15,000
- Quarterly Bonus Target = \$2,250

Bonus Payout = \$2,452.50
(\$2,250 x 109.0%)

Department Manager Example

- Grocery Manager (Tier 2) = \$595 Target

Bonus Payout = \$648.55
(\$595 x 109.0%)

Definition of Terms

Bonus Target	Quarterly bonus target is defined as the amount a Participant can earn if the store achieves its financial and non-financial targets and the Participant remains employed on the date of bonus payout. When earned, Quarterly bonus is paid in addition to a Participant's base salary and may be adjusted during the Plan Period to reflect eligible base salary adjustments, as applicable by job.
Participant	<p>An individual is eligible to participate in the Plan effective on the date of employment in a qualifying position or the first day of the Plan Period, whichever is later. A Participant earns bonus compensation if he/she is:</p> <ul style="list-style-type: none"> • Employed in an eligible position, as approved by the Plan Administrator • An active team member on the date the payout is made, unless otherwise specified by law <p>Please note no bonus compensation is earned unless all components of the Plan have been met.</p>
Eligible Position	An eligible position is defined as any current regular full-time or regular part-time Store Manager, Assistant Store Manager, Perishable/Non-Perishable Manager, Service Manager, Bakery Manager, Bulk Manager, Dairy Manager, Deli Manager, Grocery Manager, Frozen Manager, Produce Manager, Meat/Seafood Manager, and Vitamin/HBA Manager.
Eligible Earnings	Bonus compensation will be calculated based on the individual's annual salary for the applicable Plan Period. If multiple positions were held bonus will be calculated and prorated based on pay and time in each position.
Plan Period	Sprouts' fiscal quarter.
Sales Performance	Actual quarterly sales as a percent of forecasted quarterly sales.
Shrink & Supplies	<p>Actual quarterly shrink and supply dollar spend compared to forecasted dollars if sales forecast not achieved.</p> <p><i>Example:</i></p> <ul style="list-style-type: none"> • Sales actual = \$2,892,000 • Sales forecast = \$2,906,000 • Sales performance = 99.5% • Actual S&S dollar spend = \$218,000 • Forecasted S&S dollars = \$225,000 • S&S Performance = 96.9% <p>Actual quarterly shrink and supply rate (% of actual S&S dollars to actual sales dollars) compared to forecasted rate (percent of forecasted S&S dollars to forecasted sales dollars) if sales forecast is achieved.</p> <p><i>Example:</i></p> <ul style="list-style-type: none"> • Sales actual = \$2,950,000 • Sales forecast = \$2,906,000 • Sales performance = 101.5% • Actual S&S dollars = \$222,000 (<i>Rate= 7.5%</i>) • Forecasted S&S dollars = \$218,000 (<i>Rate = 7.5%</i>) • S&S Performance = 100% <p><i>Forecasts provided at the beginning of each quarter.</i></p>

Definitions (Continued)

ER% (Efficiency Rate %)	Stores that achieve or exceed 100% on actual ER% will achieve 100% payout for this metric.
Turnover	Stores that achieve or exceed their quarterly Turnover target will achieve 100% payout for this metric. Targets will be provided at the beginning of each quarter.
Service Index	Stores that achieve or exceed their quarterly Service Index score will achieve 100% payout for this metric. Targets will be provided at the beginning of each quarter.
Plan Administrator	The Chief Stores Officer, Chief Human Resources Officer, and/or Chief Financial Officer (or their delegate) are responsible for the interpretation and administration of the Plan. The Plan Administrator has the full power to construe, interpret, administer, change and/or cancel the Plan.
Exception Process	Exceptions may be granted by the Chief Stores Officer on case-by-case basis.

Plan Administration

Transitional Period

Team Member Status	Treatment for Bonus Payments
<i>Termination</i>	The Participant will no longer be eligible to participate in the Plan as of the date of termination as Participants must be employed on date of payment. A bonus is not earned under the plan, and not payable at termination, unless all terms and conditions have been met, including employment on date of payment. At the Company's discretion, bonus awards may be granted in the event of involuntary termination due to layoff, disability or death if the Participant had worked through the last day of the Plan Period.
<i>Leave of Absence</i>	Time spent in any LOA status is not considered "active employment" for purposes of this Plan. The Participant remains eligible for a payout for any bonus earned while in active status, as long as they meet the eligibility requirements listed in 'Participant'.
<i>New Hire</i>	The Participant must work in an eligible position for at least seven (7) weeks to hire date to become eligible for bonus compensation.
<i>New to Position or Job Transfer into Higher or Lower Bonus Eligible Position</i>	Participants promoted or transferred during the Plan Period will have a pro-rated bonus based on the time spent in each eligible position/location, based on the requirements set forth within the Plan.
<i>Special Work Assignment</i>	If the Participant spent was on Special Work Assignment (SWA) during the Plan Period, the Participant will be pro-rated bonus based on the time spent in each eligible position and store location.

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<p><i>New Stores</i></p>	<p>A new store opening in 2026 automatically qualifies for bonus during the first quarter the store is open 7 weeks or more and the following quarter after, the total equivalent of two (2) quarters. The bonus will be paid at 100% of target, no matter the results. However, the Participant will ultimately be eligible for bonus in the store in which they worked for the majority of the time during the quarter and employed at least seven (7) weeks during the Plan Period, unless a team member exception request is submitted and approved.</p> <p>A new store that has opened in 2023 or 2024 will be grandfathered into the prior plan where a new store automatically qualifies for bonus during the first five (5) quarters after the store opens. The bonus will be paid at 100% of target, no matter the results. However, the Participant will ultimately be eligible for bonus in the store in which they worked for the majority of the time during the quarter and employed at least seven (7) weeks during the Plan Period, unless a team member exception request is submitted and approved.</p> <p>Bonus payments will not be paid on any eligible position that is unfilled.</p>
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General Administration

<i>Eligibility within this Compensation Plan</i>	Only the jobs listed as Eligible Position(s) are eligible to participate, and therefore earn compensation under this plan. This plan supersedes any and all previous variable compensation plans the team member may have participated in as of the effective date.
<i>Disqualification of Bonus Payment Due to Discipline</i>	If the Participant has received a performance improvement plan, final warning or suspension with incurred discipline during a Plan Period, that may disqualify them from the bonus for that Plan Period.
<i>Deductions</i>	Bonuses are considered income by the IRS and are subject to all applicable Federal, state and local taxes, withholdings, wage assignments, garnishments, and savings plans contributions. Sprouts will not be responsible for payments, interest, penalties, costs or expenses incurred as a result of Participant's failure to arrange sufficient withholding of deductions from Plan payments.
<i>Timing of Compensation Payments</i>	Bonuses are paid on a quarterly basis. Payments under this Plan will be made within 60 days of the end of the quarter (Q1 – Q3), and 90 days of the end of Q4, or sooner as required by law.
<i>Employment Guarantee</i>	This plan shall not be construed to or imply the creation of any employment contract between Sprouts and the Plan Participant. There is no guarantee of employment for any specified period of time. Sprouts is an "at-will" employer and the team member's employment can be terminated at any time by either the team member or Sprouts with or without cause or notice.
<i>Plan Changes and Adjustments</i>	Management reserves the right to amend, change, or terminate this plan or a Participant's eligibility at any time for any reason. Changes may include, but are not limited to, adjustments, additions or eliminations of plan components, and other similar changes. Adjustments may also be made for unusual business activity, such as an acquisition.
<i>Plan Interpretation</i>	Any questions or interpretations of this plan not specifically addressed by this document or team management should be submitted in writing to the Plan Administrator, who will review issues related to this plan and will make recommendations for fair and equitable resolutions. Any disputes must be brought up to the Plan Administrator within 30 days of receipt of payment for consideration.
<i>The Plan Document</i>	The Plan Document is intended to explain the guidelines for Participant compensation. The Plan Document is not intended to explain the Participant's work duties or responsibilities.
<i>Choice of Law</i>	The Plan is made in Arizona and shall in all respects be interpreted, enforced, and governed by and under the laws of Arizona except as otherwise required by state law. To the extent anything in the Plan is contrary to the laws of Arizona, state law will prevail. To the extent that any provision of this Plan conflicts with any applicable state or federal law, Sprouts will follow and comply with applicable law and not the conflicting terms of this Plan.
<i>Fraud</i>	Any activities or efforts involving falsifying or manipulating performance metrics or attainment amounts for the purpose of altering bonus earnings will be considered fraud and is grounds for disciplinary actions including and up to immediate termination of employment. Additionally, any incentive/payment earned because of fraudulent activity, as defined above, will be owed back to Sprouts.
<i>Questions</i>	Any questions about the Plan should be directed to your immediate supervisor or your District Director.