

SPROUTS FARMERS MARKET INC

MEETING DATE	Wed, 02 May 2018 8:00 am	TYPE	AGM	ISSUE DATE	Tue, 17 Apr 2018
MEETING LOCATION	Sprouts Farmers Market Store Support Office, 5455 East High Street, Suite 111, Phoenix, Arizona 85054				
CURRENT INDICES	PIRC Global				
SECTOR	Miscellaneous food stores				

PROPOSALS		ADVICE
1.1	Elect Joseph Fortunato Non-Executive Chairman	For
1.2	Elect Lawrence ('Chip') P. Molloy Independent Non-Executive Director.	For
1.3	Elect Joseph O'Leary Independent Non-Executive Director.	For
2	Advisory Vote on Executive Compensation The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. For fiscal 2017, annual incentives was not considered to be excessive. The CEO's actual bonus for the year was \$1,412,468, representing 179.80% of his base salary (200% maximum is considered as acceptable practice). For fiscal 2017, the target award was set at 140% of base salary for all named executive officers NEOs except the CEO, which was set at 200% of base salary. Best practice states that all executives should hold at least six times base salary in stocks, currently executives hold two times base salary. Executive compensation is aligned with peer group averages. Messrs. Lukow, Nielsen, Sanders and Lombardi received a one-time restricted share in connection with performance, some of which vest in less than three years. These kind of discretionary awards are not considered best practice. Executive compensation is aligned with companies of a similar market capitalisation. Sprouts Farmers Market Inc. have a strong compensation claw back policy in place that allows for the recoupment of payment if in the event that misconduct by an executive contributes to a restatement of the financial results. Good reason is not adequately defined. The compensation rating is: BCC. Triodos supports this resolution.	For
3	Appoint the Auditors PwC proposed. No non-audit fees were paid to the auditors in the past three years. This approach is commended.	For

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: B- Performance-based cash bonus is composed of plan EBITDA (75%) and comparable store sales growth (25%). Equity Incentive Compensation (EIC) is awarded through performance Shares (50%) and time-vesting restricted stock awards (50%). Earnings per share is the main performance metric used to award the EIC. Peer groups are disclosed. However, the Company failed to provide the fees it paid the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency.

Balance: C- For fiscal 2017, annual incentives was not considered to be excessive. The CEO's actual bonus for the year was \$1,412,468, representing 179.80% of his base salary (200% maximum is considered as acceptable practice). For fiscal 2017, the target award was set at 140% of base salary for all named executive officers NEOs except the CEO, which was set at 200% of base salary. Best practice states that all executives should hold at least six times base salary in stocks, currently executives hold two times base salary. Executive compensation is aligned with peer group averages. Messrs. Lukow, Nielsen, Sanders and Lombardi received a one-time restricted share in connection with performance, some of which vest in less than three years. These kind of discretionary awards are not considered best practice. Executive compensation is aligned with companies of a similar market capitalisation.

Contract: C- Sprouts Farmers Market Inc. have a strong compensation claw back policy in place that allows for the recoupment of payment if in the event that misconduct by an executive contributes to a restatement of the financial results. Good reason is not adequately defined.

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