PROPOSALS | ADVICE
--- | ---
1.01 Elect Kristen E. Blum | For
Independent Non-Executive Director.

1.02 Elect Shon A. Boney | For
Executive Director. Support recommended.

2 Advisory Vote on Executive Compensation | Abstain
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. The CEO's actual bonus for the year represented 92% of his base salary, which is within guidelines. Executive compensation is aligned with peer group averages and is aligned with companies of a similar market capitalisation. 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. The compensation rating is: ACC.
Triodos abstains on this resolution.

3 Appoint the Auditors | For
PwC proposed. Non-audit fees represented 0.74% of audit fees during the year under review and 1.09% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

SUPPORTING INFORMATION FOR RESOLUTIONS
Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: A- 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 2019, annual incentives was not considered to be excessive. The CEO's actual bonus for the year represented 92% of his base salary, which is within guidelines. 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.
Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.

Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
E14 9GE

Tel: 020 7247 2323
Fax: 020 7247 2457
http://www.pirc.co.uk

Regulated by the Financial Conduct Authority