

SPROUTS FARMERS MARKET, INC.
COMPENSATION COMMITTEE CHARTER

Introduction

This Compensation Committee Charter (the "Charter") establishes the purpose, membership, responsibilities, meetings and procedures, and delegation of authority policy of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Sprouts Farmers Market, Inc. (the "Company").

Purpose

The general purpose of the Committee is to assist the Board in fulfilling its responsibilities with respect to the compensation of executive officers and compensation plans, policies and programs of the Company and its subsidiaries.

The Committee is also responsible for preparing a compensation committee report as required by the Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement.

Membership

The Committee shall be comprised of at least three members of the Board. Committee members must meet the criteria of "independent director" under Rule 5605(a)(2) of the NASDAQ Marketplace Rules and not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof, except for compensation for service on the Board or a committee thereof or as otherwise permitted by the NASDAQ Marketplace Rules. Members must also qualify as a "non-employee" director under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The foregoing shall be subject to all applicable "phase-in" provisions.

Committee members shall be appointed, and may be removed, with or without cause, by the Board based on recommendations by the Company's Nominating and Corporate Governance Committee. In determining whether a director is eligible to serve on the Committee, the Board shall consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director's judgment as a member of the Committee. The Board shall also appoint one member as Chairman of the Committee (the "Chairman"). Members shall serve on the Committee until such member's successor is duly elected or until such member's resignation or removal.

Responsibilities

The Committee shall be responsible for carrying out the activities forth below. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in this Charter. No provision of this charter shall be deemed to preclude discussion of CEO or other executive compensation with the Board generally.

The business of the Company is managed under the direction of the Board and the various committees thereof, including the Committee. The basic responsibility of the Committee is to exercise its business judgment in carrying out the responsibilities described in this Charter in a manner the Committee members reasonably believe to be in the best interest of the Company and its stockholders. The Committee is not expected to assume an active role in the day-to-day operation or management of the Company.

In this context and in accordance with its stated purpose and compliance obligations, the Committee shall have the following responsibilities:

Compensation

- formulating and annually reviewing the Company's executive compensation policies, structure, strategy and philosophy;
- reviewing and approving corporate goals and objectives relevant to the compensation of the Company's executive officers, evaluating the executive officers' performance in light of those goals and objectives, and determining and approving the executive officers' compensation level based on this evaluation;
- reviewing and approving executive officers' consulting, severance and change-in-control packages;
- evaluating the effectiveness of compensation policies related to the achievement of performance targets;
- reviewing and recommending to the Board the compensation of directors;
- considering and approving incentive-based compensation plans or equity-based compensation (collectively, the "Plans") and periodically evaluating and making changes thereto or recommending such approval or changes to the Board for approval or submission to stockholders, if required;
- administering the Plans in accordance with their terms, interpreting all terms, provisions, conditions and limitations of the Plans and making factual determinations required for the administration of the Plans;
- establishing and periodically reviewing policies regarding senior management perquisites; and
- overseeing regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.

Reporting and Compliance

- producing an annual Committee report on executive compensation for inclusion in the Company's proxy statement (or Annual Report on Form 10-K) in accordance with applicable rules and regulations of NASDAQ, the SEC, and other applicable regulatory bodies;
- reviewing and discussing with management the CD&A prepared for inclusion in the Company's annual proxy statement in accordance with SEC rules and, based upon such review and discussions, recommend to the Board whether the CD&A should be included in the annual proxy statement; as part of this review, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation as required by Section 14A of the Exchange Act;
- discussing the structure of the Company's compensation of executive officers and incentive-based compensation arrangements and changes and adjustments thereto and special bonuses with the Company's independent auditor;
- annually reviewing the adequacy of this Charter and submitting any recommended changes to the Board for its consideration;
- annually reviewing the performance of this Committee and providing the Board with any recommendations for changes in procedures and policies governing the Committee; and
- reporting to the Board regularly on its actions and deliberations.

Meetings and Procedures

The Committee shall meet as often as is determined necessary by the Committee or the Chairman. The Chairman will provide an agenda for the meeting and have the authority to invite non-Committee members to participate in the meeting, including outside counsel, management, or other advisors. Nevertheless, the Chief Executive Officer may not be present during voting or deliberations on his compensation. The Committee is governed by the same rules regarding meetings by telephone or other similar communications equipment, action by written consent and notice and waiver of notice requirements as are applicable to the Board. A majority of the members of the Committee shall constitute a quorum. Minutes of each meeting shall be recorded at the direction of the Chairman.

Advisors

The Committee shall have unrestricted access to funding, documents, personnel and management necessary to discharge its responsibilities. The Committee shall have the sole authority to retain and terminate a consulting firm to assist in the evaluation of executive compensation and otherwise to execute its duties and responsibilities. The Committee may retain and terminate other independent legal, financial or other advisors as it may deem necessary. The Committee shall be directly responsible for the compensation and oversight of any work of any such consulting firm or other advisor. The Company shall provide the Committee with the resources necessary to carry out its purposes, including funds sufficient, as determined by the Committee, for the retention of advisors (including consulting firms and independent legal, financial or other advisors) and payment of administrative expenses.

In retaining any consulting firm, legal, financial or other advisor, the Committee shall consider the factors specified in the applicable listing requirements of the NASDAQ Global Select Market.

Delegation

In fulfilling its responsibilities, the Committee is authorized to delegate any or all of its responsibilities to a subcommittee or subcommittees of the Committee. While acting within the scope of the powers and responsibilities delegated to it, any subcommittee of the Committee shall have and may exercise all the powers and authority of the Committee and the Board.