

**CHARTER FOR THE
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE OF THE
BOARD OF DIRECTORS OF
SLEEP NUMBER CORPORATION**

(Reviewed 2020)

The purposes, responsibilities and duties of the Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Sleep Number Corporation (the “Company”) are set forth in this Charter.

I. PURPOSES

The primary purposes of the Committee are to:

- (a) Be aware of the best practices in corporate governance and develop and recommend to the Board a set of Corporate Governance Principles to govern the Board, its Committees, the Company and its employees in the conduct of the business and affairs of the Company;
- (b) Identify and recommend to the Board individuals qualified to become members of the Board and its committees; and
- (c) Develop and oversee the annual Board and Board Committee evaluation process.

The Committee will fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter.

II. COMPOSITION

The Committee shall be comprised of two or more directors as determined by the Board, each of whom shall be independent directors, as determined by the Board consistent with applicable law and the applicable requirements of the Nasdaq Stock Market, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Any action duly taken by the Committee shall be valid and

effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

The members of the Committee shall be elected by the Board and shall serve for such terms as are established by the Board or until their successors shall be duly elected and qualified. Unless the Board elects a Chair, the members of the Committee may designate a Chair by majority vote of the full Committee membership. Any member may be removed from the Committee by the Board, with or without cause, at any time.

III. MEETINGS

The Committee shall meet at least two times annually, or more frequently as circumstances dictate. The Chair of the Committee shall have the authority to call meetings of the Committee upon reasonable notice and shall preside at all meetings of the Committee. Meetings of the Committee may be conducted by telephone conference if each of the members may simultaneously hear each other member. A majority of the members of the Committee shall constitute a quorum for the conduct of business and the Committee shall act by majority vote of the quorum. Action of the Committee may be taken without a meeting if unanimous written consent thereto by each of the members of the Committee is given. The Committee shall keep minutes of its meetings and shall provide copies of such minutes and of actions by written consent to the Board and to the Secretary of the Company for placement in the Company's minute books.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

- (a) Develop and recommend to the Board for its approval a set of Corporate Governance Principles;
- (b) Review the Board's and the Company's corporate governance policies and practices, at least annually, to assure compliance with the Corporate Governance Principles;

- (c) Periodically review the Corporate Governance Principles and recommend to the Board for its approval such additions or changes that the Committee determines to be necessary or advisable to meet changing circumstances, developments in the law, or developments in corporate governance practices;
- (d) Review the outside board activities of the Chief Executive Officer, the direct reports to the Chief Executive Officer and members of the Board;
- (e) Identify, screen and recommend to the Board for its approval director candidates for election or re-election to the Board (including incumbent directors for potential re-nomination and candidates recommended by shareholders in accordance with the Company's policies as set forth in its proxy statement) consistent with criteria approved by the Board;
- (f) Assess annually the size of the Board and whether the composition of the Board as a whole reflects the appropriate the appropriate skills and characteristics required of Board members in the context of the current membership of the Board, including issues of diversity, age and functional skills—all in the context of an assessment of the perceived needs of the Board at that point in time;
- (g) Review annually the relationships between directors, the Company and management and recommend to the Board whether each director qualifies as independent under the Board's definition of independence and the applicable rules of the Nasdaq Stock Market;
- (h) Assess the appropriateness of a director nominee who does not receive a "majority of votes cast" at an election of directors continuing to serve as a director and recommend to the Board the action to be taken with respect to any letter of resignation submitted by such director;
- (i) Assess the appropriateness of a director continuing to serve on the Board upon a change in the director's principal employment or affiliation from the position such director held when originally invited to join the Board, and recommend to the Board any

action to be taken with respect to any such letter of resignation submitted by such director;

(j) Review the qualifications for continued Board membership of any director that tenders his or her resignation in accordance with the age limit set forth in the Corporate Governance Principles and recommend to the Board the action to be taken with respect to any letter of resignation submitted by such director;

(k) Review the Board's leadership structure in light of the specific characteristics or circumstances of the Company and recommend any changes to the Board for approval;

(l) Review periodically the committee structure of the Board and recommend to the Board changes as the Committee deems appropriate;

(m) Coordinate with management to develop and promote continuing education in board governance for members of the Board and an orientation program for new directors and determine the most effective and efficient means of continuing education for directors to promote effective contributions and best practices in corporate governance;

(n) Develop, implement and administer an annual Board and Board Committee evaluation process and evaluate the effectiveness of such process and results thereof;

(o) Review and administer the Company's Related Party Transactions Policy;

(p) Report regularly to the Board with regard to action taken by the Committee and any issues that may arise in the course of the discharge by the Committee of its responsibilities and duties hereunder;

(q) Retain (without need for further Board approval) and consult with such independent advisors as the Committee may deem necessary or appropriate in connection with fulfilling the responsibilities and duties of the Committee;

(r) Undergo an annual review of the performance of the Committee, including its effectiveness and compliance with this Charter, and recommend to the Board such amendments of this Charter as the Committee deems appropriate; and

- (s) Undertake such other responsibilities as the Board may delegate or assign to the Committee from time to time.

V. FUNDING OF THE COMMITTEE'S FUNCTIONS BY THE COMPANY

The Company shall provide for appropriate funding for the entire Committee, in its capacity as a committee of the Board, in such amounts as may be determined by the Committee, for payment of compensation to any advisors engaged by the Committee in connection with the fulfillment by the Committee of its responsibilities and duties hereunder.

VI. DELEGATION

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter. To the extent determined by the Committee, and subject to the requirements of applicable law, the Committee may delegate duties and responsibilities to one or more members of the Committee or others; the recommendations or decisions of any person or entity performing any delegated duties or responsibilities must be presented to the full Committee at the next regularly scheduled meeting of the Committee or sooner as directed by the Committee.