

**CHARTER FOR THE  
AUDIT COMMITTEE OF THE  
BOARD OF DIRECTORS OF  
SLEEP NUMBER CORPORATION**

(Reviewed 2026)

The purposes, responsibilities and duties of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Sleep Number Corporation (the “Company”) shall be as follows:

**I. PURPOSES**

The primary purposes of the Committee are to:

- (a) Assist the Board in fulfilling its oversight responsibilities with respect to:
  - (i) The quality and integrity of the financial reports and other financial information provided by the Company to any governmental body or the public;
  - (ii) The Company’s compliance with legal and regulatory requirements that may have a material impact on the Company’s financial condition or results of operations;
  - (iii) The Company’s systems of internal controls regarding finance, accounting, and legal and ethical compliance established by management and the Board;
  - (iv) The Company’s auditing, accounting and financial reporting processes generally;
  - (v) The qualifications and independence of the Company’s outside auditors;
  - (vi) The Company’s internal audit functions and outside auditors;
  - (vii) The Company’s financial condition and policies;
  - (viii) Investor relations strategies;
  - (ix) Tax strategies and the impact of potential tax law changes; and
  - (x) The Company’s policies and practices with respect to risk assessment and risk management; and
- (b) Prepare such report or reports, as may be required by applicable law, including without limitation the Committee report required for the annual proxy statement regarding the scope of the Committee’s responsibilities and the manner of discharge of those responsibilities.

Consistent with these purposes, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels.

## **II. RESPONSIBILITIES AND DUTIES**

The primary responsibilities and duties of the Committee are to:

- (a) Be directly responsible for the appointment, compensation, retention and oversight of the work of any independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (including resolution of disagreements between management and the independent auditors regarding financial reporting) and the independent auditors will report directly to the Committee;
- (b) Review and approve (which may be pursuant to preapproval policies and procedures) both audit and non-audit services (as defined by applicable law) to be performed by the Company's independent auditors;
- (c) Monitor the Company's financial reporting processes and internal control systems;
- (d) Review the qualifications, independence and performance of the Company's independent auditors;
- (e) Oversee the Company's internal audit processes and function;
- (f) Establish and oversee procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- (g) Oversee the Company's significant information technology matters, risk assessment and risk management, and legal and ethical compliance;
- (h) Provide open avenues of communication among the independent auditors, internal auditors, financial and senior management, and the Board; and
- (i) Oversee the Company's capital structure and capital allocation strategy, priorities and decisions.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section V 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.

### **III. COMPOSITION**

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be an independent director, as determined by the Board consistent with applicable requirements of the Nasdaq Stock Market and Rule 10A-3 of the Securities Exchange Act of 1934, as amended, 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. All members of the Committee shall be able to read and understand fundamental financial statements, have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall qualify as an “audit committee financial expert” as defined by Securities and Exchange Commission rules.

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.

### **IV. MEETINGS**

The Committee shall meet at least four 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.

As part of its job to foster open communication, the Committee should meet periodically with management, with the internal auditor(s) and with the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chair should meet with the independent auditors and management quarterly to review the Company’s financial statements consistent with V.a.4. below.

### **V. COMMITTEE PROCESSES**

To fulfill its responsibilities and duties the Committee shall:

(a) Review of Financial Statements and Related Matters

- (i) Review and discuss with management and the independent auditors the Company's annual financial statements and any other material financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditors, and recommend to the Board whether the Company's audited financial statements should be included in the Company's Annual Report on Form 10-K.
- (ii) Review and discuss with management and the independent auditors the annual recommendations to management prepared by the independent auditors and management's response.
- (iii) Review and discuss with management and/or the independent auditors the Company's Quarterly Reports on Form 10-Q prior to filing. The Chair of the Committee may represent the entire Committee for purposes of this review.
- (iv) Review and discuss with management the Company's earnings press releases and earnings guidance prior to their release. The Chair of the Committee may represent the entire Committee for purposes of this review.
- (v) Review and discuss with management the Company's policies and practices with respect to risk assessment and risk management, including enterprise risk assessment and management, financial risk exposures, internal controls over financial reporting, as well as oversight of the Company's risk management program relating to cybersecurity and artificial intelligence, and assess the steps management has taken to monitor and control such risks, except with respect to those risks for which oversight has been assigned to other committees of the Board or retained by the Board.
- (vi) Review the Company's annual disclosures concerning the role of the Board and the Committee in the risk oversight of the Company.
- (vii) Review and discuss with management the Company's cash investment policies, strategies and performance.
- (viii) Review and discuss with management, at least annually in connection with the annual financial planning process, the capital structure of the Company.
- (ix) Review and consult with management regarding, and approve on behalf of the Board, unbudgeted capital commitments (versus Capital Spending Plan) and unbudgeted operating leases (versus Annual Operating Plan) in excess of the amounts set forth in the Board of Director's Delegation of Authority to Management policy.

- (x) Review with the Company's counsel, and recommend periodic updates to the full Board, the Board of Director's Delegation of Authority to Management policy.
- (b) Engagement and Oversight of Independent Auditors
  - (i) Be directly responsible (subject to shareholder ratification or approval as determined by the Committee or applicable law) for the appointment, compensation and retention of the independent auditors, considering their qualifications, independence and effectiveness.
  - (ii) Review and approve (which may be pursuant to preapproval policies and procedures) both audit and non-audit services (as defined by applicable law) to be performed by the Company's independent auditors.
  - (iii) Oversee the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (including resolution of disagreements between management and the independent auditors regarding financial reporting), which independent auditors will report directly to the Committee.
  - (iv) Assure regular rotation of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit, as required by applicable law.
  - (v) On an annual basis, the Committee should obtain and review and discuss with the auditors a report prepared by the independent auditors describing: (A) the firm's internal quality control procedures; (B) any material issues raised by the most recent internal quality-control review or peer review of the firm, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; (C) the matters required to be discussed under the standards adopted by the Public Company Accounting Oversight Board (including critical audit matters, if any, proposed by the independent auditor to be included in the report); and (D) all relationships the auditors have with the Company and any affiliates of the Company and all permissible non-audit services performed by the independent auditors to determine the auditors' independence.
  - (vi) Periodically consult with the independent auditors out of the presence of management about internal controls and the accuracy and completeness of the Company's financial statements.
  - (vii) Consider and assess the desirability of developing policies for the Company's hiring of employees or former employees of the independent auditors, as required by regulations and by applicable listing standards.

- (c) Oversight of Internal Audit Function
- (i) Review and approve the appointment, replacement or dismissal of the leader of the Company's internal audit function, who reports directly to the Audit Committee with respect to internal audit matters.
  - (ii) Review and approve, at least annually, the Company's internal audit plan and receive quarterly reports with respect to the results of internal audits. Provide feedback and guidance to the leader of the internal audit function as needed with respect to internal audit activities.
  - (iii) Meet regularly with the leader of the internal audit function without any members of the Company's management team present.
- (d) Oversight of Financial Reporting Processes
- (i) In consultation with the independent auditors, review the integrity of the Company's financial reporting processes, both internal and external.
  - (ii) Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
  - (iii) Consider and approve, if appropriate, material changes to the Company's accounting principles and practices as suggested by the independent auditors and/or management.
- (e) Oversight of Process Improvement
- (i) Establish regular and separate systems of reporting to the Committee by each of management and the independent auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
  - (ii) Following completion of the annual audit, review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
  - (iii) Review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements.
  - (iv) Review with the independent auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.)

(f) Oversight of Ethical and Legal Compliance

- (i) Establish, review and update periodically a code of ethics (the “Code”) meeting the requirements of Item 406 of Regulation S-K of the Federal securities laws and ensure that management has established a system to enforce the Code.
- (ii) Review management’s monitoring of compliance with the Code.
- (iii) Establish and periodically review a process for receiving and addressing complaints regarding accounting or auditing matters from employees, investors or others, and for the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters.
- (iv) Review and update periodically, with the Company’s counsel, legal compliance matters including corporate securities trading policies and the status of the Company’s compliance with Sarbanes-Oxley Section 404 requirements.
- (v) Review, with the Company’s counsel, any legal matter that could have a significant impact on the Company’s financial statements.
- (vi) Review Travel and Entertainment expenditures of the President and CEO and other executive officers of the Company and all members of the Board.
- (vii) Review periodically with the Company’s counsel and tax advisors the Company’s legal and tax structure.

(g) Oversight of Significant Information Technology Matters

Review and consult with management regarding significant and material matters related to the Company’s information technology and information security systems, including cybersecurity and artificial intelligence, and review and report to the Board with respect to significant and material developments or proposed changes thereto.

(h) Oversight of Risk Assessment and Risk Management

Review and consult with management regarding the Company’s policies and practices related to enterprise risk assessment and risk management, including with respect to financial risk exposures, internal controls over financial reporting and cybersecurity, and review the cybersecurity disclosures required to be included in the Company’s Securities and Exchange Commission filings.

(i) Retain Independent Advisors

Where appropriate, retain (without need for further Board approval) and consult with such independent legal and other advisors as the Committee may deem

necessary or appropriate in connection with fulfilling the responsibilities and duties of the Committee.

(j) Oversight of Capital Structure and Allocation

- (i) Review the Company's proposed capital spending plan and expected returns on at least an annual basis.
- (ii) Review the Company's proposed significant capital allocation decisions, strategy and priorities with a view towards maximizing long-term shareholder value, including use of available funds for debt repayment, investment in the business, capital investments, stock repurchases, dividends, acquisitions, divestitures, other strategic actions, and related disclosures.
- (iii) Review the Company's capital structure, including strategy, priorities, partnerships and financing alternatives.
- (iv) Periodically review the Company's current year actual capital expenditures versus the current year capital spending plan.
- (v) Periodically review and discuss the metrics, benchmarks and assumptions used to evaluate and determine the Company's capital allocation strategy, priorities, and decisions.
- (vi) Periodically review management's capital allocation strategy as it pertains to returning cash to shareholders, including recommendations on the establishment and, upon establishment, execution of a share repurchase program or dividend payment program.

(k) Reporting to the Board

Report regularly to the Board with regard to any issues that may arise in connection with the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditors, the performance of the internal audit function, or any other matter of a material nature that may arise in the course of the discharge by the Committee of its responsibilities and duties hereunder.

(l) Review of Committee Performance and Charter

- (i) Undergo an annual review of the performance of the Committee pursuant to such process as may be established and modified from time to time by the Corporate Governance and Nominating Committee.
- (ii) Review and, if necessary or appropriate, recommend material revisions of this Charter to the Board at least annually or more frequently as may be necessary to conform to the requirements of any applicable law or the

requirements of any exchange or self-regulatory organization with which the Company's shares are listed for trading.

**While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management. The independent auditor is responsible to plan and conduct its audits in accordance with generally accepted auditing standards. Nor is it the duty of the Audit Committee to conduct investigations or to assure compliance with laws and regulations and the Company's Code of Business Conduct.**

#### **VI. FUNDING OF THE COMMITTEE'S FUNCTIONS BY THE COMPANY**

The Company shall provide appropriate funding for the 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 the independent auditors and any other advisors engaged by the Committee and for payment of ordinary administrative expenses that are necessary or appropriate in connection with the fulfillment by the Committee of its responsibilities and duties hereunder.