

Sleep Number Announces Inducement Grants under Nasdaq Listing Rule 5635(c)(4)

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MINNEAPOLIS--(BUSINESS WIRE)-- Sleep Number Corporation (Nasdaq: SNBR) today announced that it granted equity awards on March 16, 2026, as a material inducement to the employment of the company's Executive Vice President and Chief Financial Officer, Amy O'Keefe.

As previously disclosed, in connection with the appointment of O'Keefe as Executive Vice President and Chief Financial Officer effective December 8, 2025, Sleep Number agreed to grant O'Keefe employment inducement awards on or around March 15, 2026. The equity awards granted on March 16, 2026 pursuant to that agreement consist of: (i) 66,965 shares of common stock underlying a time-vested restricted stock unit award, vesting in three equal installments on each anniversary of the grant date; and (ii) 89,286 shares of common stock underlying a performance stock unit award, assuming target performance, vesting on the third anniversary of the date of grant with the number of shares to be earned based on net sales growth and free cash flow goals for fiscal years 2026 to 2028 and as further adjusted based on the company's relative total shareholder return. The performance stock unit award provides for a maximum payout of 200% of target, or up to 178,572 shares. The grants are subject to continued employment and the terms of the respective award agreements.

The inducement awards to O'Keefe were granted as a material inducement to her employment and were approved by the Sleep Number Board of Directors on November 28, 2025, in accordance with Rule 5635(c)(4) of The Nasdaq Stock Market LLC. The awards were granted outside Sleep Number's equity incentive plan.

About Sleep Number Corporation

Sleep Number is the leader in personalized sleep wellness. Its mattresses are designed to evolve with each sleeper

to help them feel and perform their best. With adjustable firmness, pressure-relieving support and temperature balancing comfort built into every mattress, Sleep Number® beds adapt to customers' changing needs, night after night, year after year.

Backed by almost 40 years of innovation, 1,000+ patents and patents pending, and billions of hours of sleep data, Sleep Number has helped more than 16 million people achieve their best sleep. The fully integrated model ensures quality, durability, and care at every step—from design and craftsmanship to delivery and long-term support.

Sleep Number products are awarded the industry's top recognitions, including ranked #1 in customer satisfaction for mattresses purchased in-store and online, and #1 in comfort, by J.D. Power. In addition, the company is the Official Sleep + Wellness Partner of the NFL, marking a relationship that leverages players, team partnerships, and league-wide initiatives to amplify brand awareness and drive consumer engagement.

Sleep Number mattresses, bases, bedding, and furniture are available exclusively at its 600 stores nationwide and online. To learn more, visit [SleepNumber.com](https://www.sleepnumber.com) or **a store near you**.

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