

Sprouts Farmers Market, Inc.  
 Form 4  
 February 17, 2017

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Sanders James Douglas

(Last) (First) (Middle)

5455 EAST HIGH STREET, SUITE 111

(Street)

PHOENIX, AZ 85054

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Sprouts Farmers Market, Inc. [SFM]

3. Date of Earliest Transaction (Month/Day/Year)

02/15/2017

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3)           | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|--|
|   |                                      |  | Code                           | V   | Amount or Price   |  |  |
| Common Stock, par value \$0.001 per share | 02/15/2017                           |  | M                              |   | 22,500 A \$ 3.3255  | 77,810   | D  |
| Common Stock, par value \$0.001 per share | 02/15/2017                           |  | S <sup>(1)</sup>               |   | 22,500 D \$ 18.7489   | 55,310   | D  |
| Common Stock, par value \$0.001 per share | 02/16/2017                           |  | M                              |   | 22,500 A \$ 3.3255  | 77,810   | D  |

value  
\$0.001 per  
share

Common  
Stock, par  
value 02/16/2017  
\$0.001 per  
share

S<sup>(1)</sup> 22,500 D \$ 18.8549 55,310 <sup>(4)</sup> D  
<sup>(3)</sup>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy)                | \$ 3.3255  | 02/15/2017                           |  | M                              | 22,500  | <sup>(5)</sup> 05/02/2018                                | Common stock, par value \$0.001 per share                     | 22,500                        |
| Stock Option (right to buy)                | \$ 3.3255  | 02/16/2017                           |  | M                              | 22,500  | <sup>(5)</sup> 05/02/2018                                | Common stock, par value \$0.001 per share                     | 22,500                        |

## Reporting Owners

| Reporting Owner Name / Address                              | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Sanders James Douglas<br>5455 EAST HIGH STREET<br>SUITE 111 | X             |           |         |       |

PHOENIX, AZ 85054

## Signatures

/s/ Brandon F. Lombardi, Attorney-in-Fact for James Douglas  
Sanders

02/17/2017

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.

The reported price in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$18.55 to \$18.91 per share, inclusive. The reporting person undertakes to provide to the issuer, any security holder of the issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.

(2) The reported price in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$18.71 to \$18.94 per share, inclusive. The reporting person undertakes to provide to the issuer, any security holder of the issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.

(3) Amount includes 27,099 shares of common stock, 5,179 restricted stock units and 23,032 performance share awards. Each restricted stock unit and performance share award represent the right to receive, upon vesting, one share of common stock. The restricted stock units will vest on March 4, 2017, assuming continued service through such date. The performance share awards will vest over two years, with one-half vesting on March 11, 2017 and the remaining one-half vesting on March 11, 2018, assuming continued service through such dates.

(4) All such options are presently exercisable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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