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Minneapolis, MN 55404  
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**DATE:** 29 November 2022  
**TO:** All Sleep Number Suppliers  
**RE:** China Unrest and COVID Related Lock Downs

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The 'new normal' is now the 'normal' normal. As supply chain professionals know that with each day one needs to be agile and overly cautious. These continue to be truly dynamic times. This is the reason for my message today. Over the last couple of years, we have lived with various phases of a global pandemic, unprecedented supply constraints, and 40-year high inflationary pressures.

The present challenge in front of us continues to be a 'close watch' for us. COVID related shutdowns and social protest are currently straining and adding an element of concern to an already volatile China supply chain and marketplace. This year also will have an 'early' Lunar / Chinese New Year holiday that is set to begin as the Year of the Rabbit on January 22, 2023.

At this time, we are reaching out and connecting with our entire Tier I supply base to understand the effects on their people, facilities, and assess any adverse impact on the near-term supply performance. We need to be proactive in this process. Our goal remains that we seek to understand and alleviate all of challenges ahead.

We again ask that all our world-wide suppliers take a similar methodical approach. Evaluate inventory positions, scenario plan, forecast and forward think your situation. It continues to be a time to be proactive in assessing your Tier I and Tier II suppliers for potential supply chain risk. This does include production and logistics risks. If in the event there is any reason for concern, we ask that you contact your Sleep Number Sourcing Manager or Material Scheduling Planner / Coordinator as soon as possible.

I appreciate your time, determination, and understanding in these continued challenging times.

Thank you,

A handwritten signature in black ink, appearing to be "T. Lee", written over a light gray rectangular background.

Vice President, Strategic Sourcing & Supplier Quality/Development