

SONOS PERFORMANCE MANAGEMENT GUIDELINES

PERFORMANCE PHILOSOPHY

At Sonos, we believe in continuous feedback, growth mindset, and recognizing exceptional work.

PERFORMANCE RATINGS

5 - Exceptional: Far exceeds expectations, transformative impact

4 - Exceeds: Consistently delivers beyond role requirements

3 - Meets: Solid performance, meets all expectations

2 - Developing: Shows progress but needs improvement

1 - Unsatisfactory: Does not meet requirements

REVIEW CYCLE

February: Goal setting for the year

July: Mid-year check-in and calibration

December: Year-end performance review

January: Compensation adjustments effective

GOAL SETTING (OKRs)

Objectives: 3-5 ambitious but achievable goals

Key Results: 3-5 measurable outcomes per objective

Alignment: Individual OKRs align with team and company goals

FEEDBACK CULTURE

- Give feedback within 24-48 hours of observation

- Use SBI model: Situation, Behavior, Impact

- Focus on specific behaviors, not personality

- Balance positive recognition with developmental feedback

IMPROVEMENT PLANS

Employees rated 2 or below enter Performance Improvement Plan (PIP)

- 90-day structured improvement period

- Weekly check-ins with manager

- Clear success criteria and support resources
- Potential outcomes: successful completion, role change, or separation

PROMOTION CRITERIA

Promotions based on:

- Sustained high performance (typically 2+ years)
- Demonstration of next-level competencies
- Business need and budget availability
- Impact beyond individual role

COMPENSATION PHILOSOPHY

Pay for performance:

- Market competitive base salaries
- Merit increases 0-6% based on performance
- Bonus pools tied to company performance
- Equity grants for high performers

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