



Termination/Resignation Policy

There are five different types of terminations. “Discharge” is an involuntary termination initiated by Sprouts. “Reduction-in-Force” is an involuntary termination initiated by Sprouts for non-disciplinary reasons. “Job Abandonment” is a voluntary termination caused by a team member’s failure to report to work for more than two (2) consecutive scheduled work days or return to work when scheduled from a leave of absence, vacation or other temporary absence, without adequate justification or management approval. “Resignation” is a voluntary termination initiated by the team member. “Administrative Termination” is a discharge caused by an team member not having worked any hours in a three (3) week period, unless on an approved Leave of Absence, or an team member on a leave of absence for more than six (6) months unless otherwise required by state or federal law.

When a team member resigns or terminates, it must be entered into the store system in a timely manner. If the team member provides a resignation letter, place it in their personnel file. It is extremely important to code the reason correctly as “voluntary” or “discharge.” Termination comments should be clear and concise. The re-hire code is confidential, should correspond to the termination reason, and should not be released outside the Human Resources department.

Notice of Resignation

Sprouts expects team members to give at least two (2) weeks written notice of their intent to resign so a replacement can be found but reserves the right to request the team member leave immediately upon receiving notice. Generally, in this situation, team members will be paid the balance of the two (2) week period. Once a resignation is submitted, it can only be withdrawn with the Store Manager’s and Human Resources department’s approval.

After a team member has submitted their resignation, they cannot use paid benefit hours (e.g., Vacation or Sick) unless usage was pre-approved by their supervisor or manager, or in the case of a legitimate sickness or illness.

Administrative Termination

Team members administratively terminated are coded as re-hirable. An administrative termination does not affect the right to receive continued workers’ compensation, long-term disability, or state disability benefits.

Severance Plan

Sprouts has a severance plan which provides salary continuation and other benefits to full-time team members who are terminated due to a job elimination, reduction-in-force, or store closing. Eligibility criteria and minimum severance benefits by job level are set forth in the plan document, which is available from the Human Resources department.

Benefits Continuation (COBRA)

Team member benefits are affected by employment resignation or termination. The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives team members and their qualified beneficiaries the opportunity to continue health insurance coverage under Sprouts’ health plan when a “qualifying event” occurs. Common

qualifying events are resignation, termination, a reduction in hours, or divorce. Under COBRA, the team member or beneficiary pays the full cost of coverage at Sprouts' group rates plus an administration fee. Written notice to eligible team members of their rights and obligations under COBRA is provided by Sprouts when they become eligible for coverage, provided there has been no lapse in premium payments.