

VACATION DONATION POLICY AND PROCEDURE

Purpose

In keeping with Sprouts' culture and the desire to help others in need, Sprouts sponsors a vacation donation program to allow team members to donate accrued but unused vacation time to help team members who do not have paid leave benefits but who need time off to address a medical emergency, as described in this policy. This program provides a way for Sprouts team members to help fellow team members who would otherwise suffer a loss of income as a result of taking unpaid leave. It does not entitle team members to take additional leave.

Scope

This policy applies to all team members.

Team Members Eligible to Receive Donated Vacation

Team members are eligible to receive up to 80 hours per calendar year of donated vacation if they meet all of the following criteria:

- The receiving team member is eligible to accrue vacation;
- The receiving team member has not been disciplined for any violations of Sprouts' policies or its Code of Conduct within the prior 90 days;
- The receiving team member is on an approved leave of absence relating to a medical emergency, as defined in this policy;
 - the team member has provided appropriate medical certification, if requested by Sprouts' Human Resources Department; and
- The receiving team member has exhausted all vacation, paid sick leave, personal leave, or any other type of paid leave, including workers' compensation leave. Although the team member is not eligible to use donated vacation until all other forms of paid time off have been exhausted, team members may request a donation in anticipation of exhausting all other paid leave benefits.

For purposes of this policy, a "medical emergency" means a serious injury or illness or other medical condition (such as recovery from an accident or treatment for cancer) of the receiving team member or the receiving team member's immediate family member (meaning the receiving team member's spouse, domestic partner, child, step-child, parent, or step-parent) that requires the receiving team member to be absent from work.

Procedures

Team members who wish to donate vacation time to another team member must complete the Vacation Donation Form. Team members who are eligible to donate vacation must donate a minimum of 1 hour of accrued but unused vacation, but may not donate more than a maximum total of 40 hours of accrued but unused vacation to one or more team members in any 12 month period. Leave must be donated in increments of not less than 1 hour, provided that the team member donates at least the minimum and no more than the maximum amounts set out above.

Completed Vacation Donation Forms should be submitted to the Payroll Department at List-Payroll@Sprouts.com.

The total hours donated by the donating team members will be converted to an equivalent number of vacation hours for the receiving team member at the receiving team member's rate of pay. As an example, if 20 hours of vacation were donated by a team member earning \$11.00 an hour, the dollar equivalent of that donation is \$220 (20 hours x \$11.00/hour). If the receiving team member's rate of pay is \$10.00 an hour, this dollar equivalent would be divided by the receiving team member's rate of pay to yield the vacation hours to be donated to the receiving employee, which would be 22 hours (\$220 / \$10.00/hour). Donated vacation will be donated to the receiving team member in no more than 40 hour increments per pay period. Accordingly, if a total of 60 hours of vacation were donated to a receiving team member (by multiple donating team members), the receiving team member would receive 40 hours of donated

vacation in the first applicable pay period, and the remaining 20 hours of donated vacation in the next regular pay period.

Sprouts will take all required withholdings and authorized deductions, including for benefits selected by the receiving team member, from any donated vacation paid to the receiving team member.

Additional Terms and Conditions

Vacation donations may be used only to compensate the receiving team member for approved time off. Neither the donating nor the receiving team member may request or receive the equivalent monetary value of vacation in lieu of taking paid time off. In addition, donated vacation may not be used for unapproved absences.

Team members are not eligible to accrue vacation while using donated vacation.

Each donating team member and receiving team member is solely responsible for assessing the impact a vacation donation will have on his or her taxes and benefits.

Team members seeking vacation donation from fellow team members should exercise discretion and common sense in seeking such donations. Pressuring, harassing, or engaging in similar conduct to either coerce a team member to donate vacation, or to retaliate against a team member for a refusal to donate vacation, is improper and may result in denial of a vacation donation request and disciplinary consequences, up to and including termination of employment.

Donation of vacation is irrevocable, meaning that once the time is donated, it will not be returned to the donating team member.

Paid sick leave benefits are not eligible for vacation donation.

Donated vacation time may not be used in cases where the team member is receiving financial payments from sick leave, worker's compensation, short-term or long-term disability insurance, paid leaves, or other sources.

Participation in the vacation donation program and receipt of donated vacation does not affect any team member's right to Family and Medical Leave (FMLA) and/or leave under applicable state laws, if applicable. Vacation paid through this program will be charged as FMLA or under the state law equivalent to the team member as long as the team member meets the FMLA and state leave law eligibility requirements.

Participation in this program is entirely voluntary. Sprouts will endeavor to keep the names of donating and receiving team members anonymous, except to team members involved in the administration of this program.

Because participation in the vacation donation program is voluntary, no adverse action will be taken against any team member who chooses not to participate.

Administration of this Policy

Responsibility for the interpretation and administration of this policy resides solely with Sprouts' Human Resources Department, and any questions should be directed to Director of Payroll. For more information about Sprouts' leave policies, please see the applicable policy information on The Vine, or contact the Human Resources Department.

Sprouts reserves the right to the maximum extent provided by law to interpret, administer, change, modify, or terminate this policy at any time. No statement by a supervisor, manager, or any other team member, whether oral or written, can supplement or modify this policy. Changes can only be made if approved in writing by the Chief Human Resources Officer. Neither this policy nor any other communication by a supervisor, manager, or any other team member, whether oral or written, is intended to in any way create a contract of employment. Unless a team member has a written employment agreement signed by an authorized Sprouts representative, all team members are employed by Sprouts at will and this policy does not modify any team members' at-will employment status.