



E-MAIL & IM RETENTION POLICY

This policy applies to all team members of Sprouts Farmers Market, Inc. (“**Sprouts**”), including its subsidiaries, and affiliates, as well as individuals under contract with Sprouts, and sets forth the document retention procedures related to electronic mail and instant messaging occurring on Company-provided computer systems (i.e., lap tops, desk tops, tablets), mobile devices, and other wireless devices.

Electronic Mail

Electronic mail (“**e-mail**”) messages, including attachments thereto, to the extent possible, should be read and discarded promptly. Company-related e-mail messages and Company documents should **not** generally be forwarded to, or stored in, your personal e-mail accounts (e.g., Yahoo! Mail, Google’s G-mail) or downloaded, saved, or moved to a thumb drive, USB drive, or some other storage device, or transmitted to your home/personal computer, as such activity can create legal liability for yourself and Sprouts.

Instant Messaging/Text Messaging

Instant messaging (“**IM**”) and Text messaging (e.g., SMS text messaging) are permitted for short business conversations only, and will be allowed only on Company-approved IM software and devices. Social networking sites (e.g., Twitter, Facebook) are not allowed for business conversations involving confidential, proprietary, or competitive information and usage on work time for non-work purposes should be kept to a minimum.

Team members are also prohibited from using IM or text messaging to transmit confidential, proprietary, personal information about Sprouts, its team members, Customers, vendors or other third parties. Downloading and using personal, consumer-grade software (e.g., AOL Instant Messenger, Yahoo!, Google Talk, or MSN) or using the “chat” or IM function on Facebook, Skype, or other social media sites to transmit messages intra-company or via the public internet is also prohibited.

Sprouts computer systems are configured to prevent the storage, archiving or logging of IM or text messaging and, as such, these records are not captured or retained. Team members are also prohibited from archiving or logging IM and text messages.

Backup Files

The IT department performs backup on a regular schedule of the e-mail and electronic files stored on central servers for disaster recovery. These backups are for system restoration and disaster recovery purposes only and are not designed to facilitate the retrieval of deleted messages. The IT system administrator is not the legal custodian of e-mail or records which may be included in such backups.

Default E-Mail Retention Period

In accordance with Sprouts’ Records Retention Policy, all e-mail messages, read or unread, greater than four (4) years old will be automatically deleted. The automatic deletion process once the retention period expires

will affect ALL messages (inbox folders, sent file folders, draft file folders, non-recurring calendar entries, text messages, etc.), even messages which have been moved to an archive folder. Terminated team members will have their e-mail deleted after 180 days if no **litigation hold** is in place.

Suspension of Automatic Deletion

Only the following team members and officers of Sprouts shall have the authority to direct the system administrator to halt a scheduled automatic deletion: Chief Legal Officer, Business Protection & Safety department (with prior approval of Human Resources and Legal departments), and members of the Legal department.

Litigation Holds - Notification to User of Pending Litigation or Proceeding

In certain circumstances, when litigation is pending or threatened against Sprouts or its team members, Sprouts may be required to preserve all relevant documents and records (including e-mail). As soon as the Legal department determines threatening or pending litigation or an administrative proceeding requires that e-mail be preserved, a **litigation hold** directive will be issued to the legal custodians (i.e., the creator of an e-mail, or to whom it is addressed or is sent) of these records.

A **litigation hold** directive overrides this e-mail retention policy, as well as any other records retention schedules that may otherwise call for the transfer, disposal or destruction of e-mail, until the hold has been cleared.

No team member who has received a **litigation hold** directive may alter or delete an e-mail that falls within the scope of the hold. E-mail accounts of separated team members that have been placed on litigation hold by the Legal department will be maintained by the IT system administrator until the hold is released.

Policy Violation

Team members who violate this policy may be subject to discipline, up to and including discharge, as well as expose Sprouts and themselves to liability for civil and/or criminal sanctions by the courts or law enforcement agencies. Other users (e.g., contractors) are subject to immediate revocation of mail system access and use privileges without notice and other actions permitted by law.

Questions Concerning Policy or Litigation

Questions regarding this policy should be directed to your supervisor or the Legal department. If a team member receives a Litigation Hold notice and is not sure whether certain documents are subject to it, or becomes aware of threatened litigation, contact the Legal Department.

For general questions about records retention, refer to Sprouts' Records Retention Policy or contact the Legal department.