



RECORDS RETENTION POLICY

The purpose of this policy is to establish requirements for retaining Company records in any form to: (i) ensure records are retained for periods in compliance with all relevant laws; (ii) ensure retention of documents that serve a legitimate business purpose while providing for the routine destruction of documents that do not; (iii) save Sprouts time, money, and space; and (iv) protect against allegations of selective destruction.

Policy

All team members as well as vendors, consultants, business partners and independent contractors unless agreed otherwise in writing, shall observe this policy. The policy applies to all documents and records of the Company, whether in electronic or paper form (individually or collectively, "Records"). A "Record" is any type of information created, received or sent in the transaction of Sprouts business, regardless of format. Examples include: (i) contracts; (ii) electronic files, spreadsheets, or data; (iii) e-mails and attachments; (iv) handwritten notes; (v) invoices; (vi) letters and correspondence; (vii) online postings; (viii) voice mails; (ix) computer programs; (x) audio and video recordings; and (xi) appointment books and calendars. Sprouts also has a separate E-Mail and IM Policy to address the storage and deletion of e-mail.

Storage and Destruction

Records must be stored in a safe, secure, and accessible manner. The destruction of confidential, financial and personnel-related Records must be conducted by shredding if possible. Non-confidential Records may be destroyed by recycling. Documents should not be sent to off-site storage unless approved by the Human Resources/Compliance department. The destruction of electronic records must be coordinated with the IT department.

Company preference is to retain Records in electronic form whenever possible. Records should not be kept if they are either no longer needed for business reasons or as required by the Retention Schedule. Unnecessary Records should be eliminated as the cost of storing and maintaining them can grow unreasonably if good housekeeping is not performed.

Disposable information consists of data that may be discarded or deleted at the discretion of the user once it has served its useful purpose and/or data that may be destroyed because it is not a Record as defined by this policy. Examples include: (i) duplicates of originals that have not been annotated; (ii) preliminary drafts of letters, memoranda, reports, worksheets and informal notes that do not represent significant steps or decisions in the preparation of an official record; (iii) books, periodicals, manuals, training binders and other printed materials obtained from sources outside of Sprouts and retained primarily for that purpose; and (iv) spam and junk mail.

Data retained by the IT department for disaster recovery or backup purposes will not exceed the retention period for each type of Record described in the Retention Schedule.

Retention Schedule

Unless otherwise subject to a Litigation Hold, all Records must be retained as set forth in **Schedule A** below. If you have a Record that is not listed on the schedule, contact the Legal department to obtain clarification.

Compliance/Responsible Person

The Vice President of each business unit shall ensure that their teams are complying with the Retention Schedule and this policy, and should also review this policy with their teams on an annual basis to ensure compliance with the Retention Schedule.

During the review process, the Vice President of each business unit or his or her designee will direct the filing of all information and Records that must be retained as well as the destruction of information and Records that may be purged.

Litigation Holds - Notice of 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 proceeding requires that Records be preserved, a **litigation hold** notice will be issued to the legal custodians (i.e., the creator of the Record, or to whom it is addressed or is sent) of these Records.

A **litigation hold** notice overrides the Retention Schedule until the hold has been released by the Legal department.

No team member who has received a **litigation hold** notice may alter or delete a Record that falls within the scope of the hold. E-mail accounts, computer systems, and other Records of separated team members that have been placed on litigation hold 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.

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 or Records are subject to it, or becomes aware of threatened litigation, contact the Legal department.

SCHEDULE A

RECORD

RETENTION PERIOD

Accounting and Finance Records

| | |
|---|-----------|
| Accounts Payable and Receivable Ledgers/Schedules | 7 years |
| Annual audit reports and financial statements | Permanent |
| Annual plans and budgets | 2 years |
| Bank statements, cancelled checks, deposit slips | 7 years |
| Bank Reconciliations | 7 years |
| Bills of Lading | 3 years |
| Bills of Sale | 7 years |
| Business expense records | 7 years |
| Check registers/books | Permanent |
| Credit card receipts | 3 years |
| Depreciation schedules | Permanent |
| Electronic funds transfer documents | 7 years |
| Employee expense reports | 7 years |
| General ledgers | Permanent |
| Journal entries | 7 years |
| Invoices | 7 years |
| Inventory Management records | 7 years |
| Purchase Orders | 3 years |
| Property/asset inventories | 7 years |
| Tax Exempt Logs | 60 days |

Corporate Records

| | |
|--|--|
| Acquisitions and divestitures | Permanent |
| Articles of Incorporation, Bylaws, Charter | Permanent |
| Annual Corporate filings and reports to Sec. of State(s) | Permanent |
| Audit and review work papers | 5 years from end of fiscal period in which audit or review concluded |
| Board policies, resolutions, minutes, committee minutes | Permanent |
| Contracts, mortgages, deeds | Duration of agreement + 7 years |
| Correspondence (legal and important matters) | Permanent |
| Correspondence (with customers, vendors) | 2 years |
| Construction Documents | Permanent |
| E-mails | 4 years |
| Fixed Asset Records | Permanent |
| Instant Messages (IMs) | N/A – not logged |
| IRS Determination Letters | Permanent |
| Licenses | Duration of license + 7 years |
| Marketing and sales documents | 3 years |
| Press releases/Public filings | Permanent |

RECORD

Sales and purchase records
SEC filings (and supporting documentation)
State sales tax exemption documents
Tax identification number designation
Vendor Set-Up Documents
Voicemail

RETENTION PERIOD

5 years
7 years
Permanent
Permanent
Duration of contract + 5 years
4 years

Employee/Personnel Records

Background checks
Benefits descriptions per employee
Benefit plans (medical, dental, life, 401(k)
COBRA records
Offer Letters (hire, promotion, transfer)
EEO-1 Reports
Employment Applications/Resumes (unsuccessful applicants)
Employment Contracts; Non-Competes
Employee Tax Records
Garnishment records
Hazardous materials exposure
I-9 Forms

6 years from date conducted
Permanent
10 years
3 years
1 year from action involved
10 years
1 year from date of application
Duration of employment + 5 years
4 years from date tax due or paid
Duration of employment + 2 years
Duration of employment + 30 years
Later of 3 years from hire date or 1
year after termination

Injury and Illness Records/ OSHA Logs

5 years from end of calendar year that
the records cover

Interview Guides (unsuccessful applicants)
Job descriptions, performance goals, reviews
Leave of Absence files
Medical Records
Personnel files (terminated employees)
Pre-employment tests and test results
Policies (i.e., handbooks)
Retirement and pension records
Salary schedules; ranges for each job description
Severance/separation agreement
Training materials
Workers' compensation records

1 year from date of interview
Termination + 7 years
Duration of employment + 3 years
Duration of employment +30 years
7 years
1 year from date of personnel action
Indefinite
Permanent
2 years
5 years from termination
Duration of training + 4 years
Duration of employment + 30 years

Legal and Insurance Records

Copyright registrations
Disaster Recovery plan
Gov't Regulatory Requests (i.e., FDA, EEOC, health dept.)
Insurance claims/applications

Permanent
7 years
Indefinite
Permanent

RECORD

Insurance contracts/policies
Leases
Legal files
Legal Policies (i.e., Code of Ethics and Conduct)
Litigation files
Patents, patent applications and supporting documents
Real estate documents (including loan and mortgage)
Trademark registrations, evidence of use documents
Warranties

Payroll Records

Payroll records and summaries
Payroll registers (gross and net)
Time sheets
Work schedules
W-2 and W-4 Forms and Statements

Store/DC Operations Records

Audio records (IT, HR and Customer Service support)
BDR Reports
BPSA Audit Reports
Change Order/Garda Reports
COOL Audits
Deli Logs
DSR/Lane Reports
Ingredients/Formulations/Recipes
Food Safety Audits
Grind Logs
Gov't Inspection Records (i.e., FDA, Heath, Fire, Agric.)
HACCP Plans
Organic/Vegan/Gluten Free Certifications
Operations materials
Paid Outs
POS Reports
Refund Reports
Receipt Free Logs
Shellfish Tags
Stamp Inventory
Vault Count Sheet
Video/CCTV
Vitamin Return Slips

RETENTION PERIOD

Permanent
6 years after expiry
10 years
Indefinite
Judgment of Legal Counsel
Permanent
Permanent
Permanent
Duration of warranty + 7 years

7 years
Permanent
7 years
7 years
Duration of employment + 4 years

180 days
60 days
60 days
60 days
5 years
90 days
60 days
Indefinite
2 years
1 year
5 years
Duration of relationship + 1 year
As long as sell product + 1 year
Indefinite
60 days
60 days
60 days
60 days
60 days
60 days
60 days
60 days
60 days
60 days
25 - 60 days depending upon equip.
60 days

RECORD

RETENTION PERIOD

Tax Records

| | |
|---|-----------|
| Annual tax filings | Permanent |
| Earnings records | 7 years |
| Filings of fees paid to professionals (IRS Form 1099) | 7 years |
| Payroll tax withholdings | 7 years |
| Payroll tax returns | 7 years |
| State unemployment tax records | Permanent |