

## **Sprouts Farmers Market Travel, Entertainment and Corporate Card Policy**

### **1.0 Purpose**

The purpose of the Sprouts Farmers Market Travel, Entertainment and Corporate Card Policy (the "Policy") is to provide guidance regarding travel and entertainment expenses incurred by team members of Sprouts Farmers Market ("Sprouts" or the "Company") in the conduct of Company business. This Policy is also intended to facilitate compliance with requirements of the Internal Revenue Service (IRS) and other regulatory authorities.

### **2.0 Principles**

- 2.1** To control the Company's travel and entertainment-related expenses, while promoting fairness, consistency and convenience for team members:
- Team members must comply with this Policy and ensure that their expenses are business-related, reasonable, and commensurate with the business conducted.
  - Cost Center Managers are accountable for approving and controlling travel expenses and ensuring compliance with this Policy.
- 2.2** Non-compliance with this Policy subjects the Company to risk of financial loss and violations may result in disciplinary action up to and including termination of employment.

### **3.0 Corporate Card**

- 3.1** Team members who travel regularly for business (defined as three or more trips per year) or routinely incur business-related travel and entertainment expenses are required to use the Company issued Corporate Card issued through a Company-designated issuer.
- The Corporate Card sends a daily feed to Workday to prepopulate your expense report and provides the Company with a spend-based cash rebate.
- 3.2** All other team members may use a personal credit card and submit business related travel and entertainment expenses such as meals and parking for reimbursement.
- 3.3** Only business-related travel and entertainment expenses should be charged to the Corporate Card. Personal charges are prohibited and should be reimbursed to the Company promptly. Intentionally using the Corporate Card for personal charges can result in disciplinary action up to and including termination of employment.
- 3.4** The Corporate Card should generally not be used for non-travel and entertainment business expenditures (*e.g.*, capital purchases, insurance premiums, tax payments, fixed assets, construction in progress, office equipment). These items should follow the Company's requisition process in Workday as outlined in the Invoice Approval Policy.

- 3.5** Exceptions for use of the Corporate Card for expenses not included in this Policy must be supported by a Policy Deviation Form that has been approved by the functional executive leadership team ("ELT") member. This form can be requested by emailing [AP@Sprouts.com](mailto:AP@Sprouts.com).
- 3.6** Requests for a Corporate Card must be approved by the department head (director level or above).
- 3.7** Team members must return their Corporate Card upon separation (to be monitored by Accounts Payable and Human Resources). All transactions must be expensed through Workday prior to separation.
- 3.8** See Expense Reimbursement, Section 12 below for details on expense report submission.

#### **4.0 Travel Bookings**

##### **4.1 Travel Services Provider**

- All travel must be booked by a reservationist or via the Concur online booking tool. This will ensure the best rates and the ability to leverage our external partners. The Sprouts Travel Team is available Monday through Friday from 7:30 a.m. to 5:00 p.m. Arizona time. The Sprouts Travel Team can be contacted by emailing [travel@sprouts.com](mailto:travel@sprouts.com).
- Sprouts Executive Leaders (Vice President and above) may use their Executive Administrator to book travel directly.
- In an emergency outside of normal business hours, our vendor, Direct Travel should be contacted for assistance at 415-857-9481; code GB6L.

##### **4.2 Reservations**

- Team members with a Corporate Card should book travel via the Concur online booking tool.
- Team members without a Corporate Card should complete a "Travel Request Form" and obtain approval by the team member's manager, then email the request to [travel@sprouts.com](mailto:travel@sprouts.com). The form can be located on The Vine in the Important Forms drop down menu.
- All business travel including air, car rental and hotel must be booked through Concur or a reservationist.
- Sprouts preferred rates and the reservationist are to be used for business travel only.

##### **4.3 Frequent Travel Programs**

- Team members are entitled to retain the benefits of frequent travel programs related to their business travel, provided that the selection of airlines, hotels, rental cars, and other services is based on cost and service needs and not travel program benefits.

#### **5.0 Commercial Air Travel**

## 5.1 General Guidelines

- All team members must book economy or equivalent class of service for air travel. A request to fly in business class or higher level of service for flights over 9 hours (typically international travel) is subject to ELT pre-approval.
- If possible, business trips should be combined to minimize costs.
- In the event team members extend business travel for personal use, the team member must pay for or reimburse the Company for any incremental costs associated with personal travel that immediately precede or follow approved business travel. Manger pre-approval of incremental costs for personal travel must be indicated on the itinerary and included in the expense report submission. Repayment, where applicable, must be processed through Accounts Payable at [AP@Sprouts.com](mailto:AP@Sprouts.com).
- Upgrades to business or first class are not considered a reimbursable expense, and the team member must pay for or reimburse the Company for any incremental cost.

## 5.2 Air Travel Bookings

- All flights should be booked at the lowest available fare, regardless of carrier.
- Where feasible, team members must book at least 14 days in advance for best selection and lowest fare availability.
- Flights booked less than 14 days in advance and more than \$650 must be approved by the team member's cost center manager.
- Team members may not intentionally delay booking a trip or insist upon a higher priced ticket when lower fares are available to gain personal advantages such as:
  - an upgrade to a higher class of service using frequent flyer credits;
  - use of an upgrade purchase; or
  - to take advantage of an airline promotion providing a complimentary upgrade when the traveler is booked in a class of service.
- It is the team member's responsibility to cancel tickets that cannot be used as soon as possible through Concur or with the Travel Department.
- Team members can track unused tickets in Concur and ensure credits are applied within 12 months of the issue date, against a future reservation with the same airline and be used for business purposes only.
- Regardless of any language to the contrary in any airline's Contract of Carriage, all airline tickets booked through Sprouts or paid for by Sprouts are considered company property, owned by Sprouts, and not owed by any team member. Any unused ticket or travel funds, however arising, will be credited back to Sprouts for future use and are not owned by the team member.

**5.3** Air Travel Restrictions

- Where a destination is within a two-hour drive of a team member's home office or principal residence, a rental vehicle or personal vehicle must be used instead of air travel unless the vehicle rental cost, or mileage allowance for miles driven in a personal vehicle is expected to exceed the cost of a corresponding lowest-cost airline ticket.
- Flight changes within two hours from original booking are not permitted where the cost to change exceeds \$100.00 unless written approval is provided by the cost center manager.
- Routine extra fees for one checked bag or seat upgrades up to \$50 within economy class may be reimbursed. Upgrades to business or first class and Southwest early check-in are not reimbursable. The team member will be notified of any out of policy upgrades or additional fees by the Sprouts Travel department prior to booking. Team members are required to reimburse the Company if such fees are charged to the Company-paid Corporate Card.
- Exception requests to the restrictions described above require written pre-approval by the team member's cost center manager (director level or above) and submitted with the team member's expense report.

**5.4** Airport Parking

- Economy or off-site parking should be used at all airports, no matter the length of the trip.
- Prices vary by airport, and only economy or off-site parking will be reimbursed. If you park in the non-economy parking, you may only submit reimbursement for the equivalent of economy parking at the airport you parked at.
- Ride sharing (such as taxi, Uber, and Lyft) is encouraged as the cost is generally less than airport parking.
- Premium parking will not be reimbursed.

**5.5** International Travel

- Team Members are required to meet with a representative from the Business Protection Services (BPS) Department for a Country Safety and Security Briefing prior to traveling outside of the country and will be required to obtain a country related Safety and Security information package from BPS. The issued Medical/Security Extraction Card will always be required when traveling. Cards will be issued by BPS and will contain critical contact and Embassy/Consulate information.
- Team Members are required to register with the local embassy prior to arrival via the State Department Website. In the event of a natural disaster or emergency, this will assist in efforts to keep the traveler informed. (Information will be provided by BPS).

- Safety and Security guidelines proved by BPS and the State Department must be followed during travel.

## **6.0 Vehicle Rental**

### **6.1 General Guidelines**

- Only midsize or below vehicles are covered, but upgrades can be booked if there is a business need.
- Groups of team members traveling together must share rental vehicles(s); full size or larger vehicles may be reserved in such circumstances.
- Team members are not permitted to accept an upgrade in size or type of vehicle unless it is offered free of charge, or the team member is paying out of pocket. Upgrades are not a reimbursable expense if there is not a business need.
- Where road safety is a concern during winter months, team members should request a vehicle with snow tires.
- Rental vehicles must be returned with full gas tanks, or a full charge on EVs to avoid premium refueling/recharging charges.
- Team members are solely responsible for parking tickets and traffic infractions. Such penalties are not eligible for expense reimbursement.
- Any vehicle damage, regardless of degree, must be immediately reported by the team member via email to the distribution list of List-Dept\_BPS-Safety and to his/her manager.

### **6.2 Vehicle Rental Procedures**

- It is unnecessary to purchase Supplementary Insurance or Collision/Loss Damage Waiver protection offered by the rental car company. The following guidelines apply:
  - The vehicle will be booked in both Sprouts name and the name of the driver;
  - Name additional drivers, if any, on the rental contract;
  - Decline:
    - a. Collision Waiver/Loss Damage Waiver
    - b. Supplementary Liability Insurance;
    - c. Personal Accident Insurance; and
    - d. Pre-paid fuel package.
- To avoid false claims, inspect the rental vehicle for damage and obtain a signed copy of the damage inspection sheet at the time of vehicle pick-up and at the time the vehicle is returned.

### **6.3 Vehicle Rental Procedure – Personal Use**

- Sprouts' insurance policies do not provide coverage for vehicles rented for purposes other than business use. Coverage for personal use of a vehicle rented in Sprouts' name is limited to coverage maintained by the rental company and the driver's personal automobile insurance.

## **7.0 Use of Personal Vehicle**

- 7.1** A personal vehicle must be used instead of car rental unless the mileage allowance for miles driven is expected to exceed the cost of vehicle rental or if team members are driving less than 120 miles in their local territory.
- A per mile allowance for use of a personal vehicle on approved business travel is payable at the prevailing authorized IRS rate. Gas is not reimbursable.
  - Only mileage more than base mileage amount (defined as normal commute to regular assigned work area and from primary residence or home office, or within your assigned work area) is eligible for reimbursement.
  - When mileage is submitted, a Google map or the like must be presented as a support document with the expense report for management review and approval.
- 7.2** Travel with Easy pass/Toll road sensors in rental vehicles and personal vehicles will be approved when necessary.
- 7.3** Team members are personally responsible for any damages they incur in an accident using their personal vehicle while traveling on Company business. There will be no reimbursement by the Company for damages or for increased insurance premiums.
- 7.4** Parking tickets and traffic infractions are the responsibility of individual drivers and are not eligible for expense reimbursement.

## **8.0 Hotel/Other Accommodations**

### **8.1 General Guidelines**

- Team members are encouraged to stay in Company-preferred hotels or chains designated in Concur.
- For conferences, hotels may be booked over the maximum nightly rate if the name of the conference is provided along with written pre-approval from the team member's cost center manager.
- Team members are not permitted to upgrade accommodations unless it is offered free of charge, or the team member pays out-of-pocket. Upgrades are not reimbursable.
- Team members are required to have their own accommodation (no room sharing).

### **8.2 Hotel Reservation Rates, Guarantees and Cancellations**

- Cancellations must be made in advance, prior to the time indicated on the travel itinerary.
  - Team members must obtain a cancellation or reference number;
  - If reservations are not cancelled the hotel will levy a "no show" charge which may be equivalent to a one-night room and tax charge. Team members will be personally

responsible for these charges except in situations beyond their control or when changes were made for business purposes.

- A personal credit card must be presented upon check in to cover incidental charges of a personal nature.
- Team members must review hotel bills before check out to ensure that the preferred rate has been applied and that there are no additional charges for items included in the negotiated rate. Examples may include breakfast, parking, gym usage, etc.

### **8.3** Home Share Reservations

- Home share reservations (AirBNB, VRBO, etc.) should be used only when alternate hotel accommodations are not available.
- If a home share reservation is required, it should be approved by the function ELT leader and the Chief Human Resources Officer.
- All reservations should be booked through the Sprouts travel department.

## **9.0 Meals**

**9.1** Team members will be reimbursed for reasonable meal costs incurred while traveling on company business (daily meal guideline is up to \$50/day).

- Actual meal expenses will be reimbursed. See Section 12 below for receipt requirements.

**9.2** The daily per meal reimbursement will not be provided when meals are included in the cost of transportation, accommodation, and seminars/conferences/training.

**9.3** If you are in a district role, your district is considered your work area and meals are not a reimbursable expense in your region (*i.e.*, HR Business Partner, Operations Specialist, District Director, etc.)

**9.4** Alcohol is a non-reimbursable expense under the meal provision for Team Members in all circumstances. Team members who choose to consume alcohol at their own expense are expected to comply with all applicable laws including those governing drinking and driving, as well as the Sprouts Drug and Alcohol Policy.

**9.5** Where a meal for several team members is included on one receipt, the most senior team member must pay. Where applicable, the most senior level team member must pay for external guests.

## **10.0 Business Entertainment and Team Member Events**

**10.1** Sprouts will reimburse entertainment expenses only where guests (*e.g.*, those with whom Sprouts does or may do business) are being entertained in the interest of Sprouts. All such entertainment must be moderate, reasonable and in good taste. Business entertainment may include meals, as well as expenses incurred for activities normally

- considered social or recreational. Alcohol will not be reimbursed.
- 10.2** Team Member Events -Team members may expense corporate-wide, department-wide and team events (with or without meals) either inside or outside the Company location, such as larger scale meetings, training, or celebrations. Related expenses will be processed/reimbursed, provided that the business purpose is clearly stated and the person(s) attending are appropriate for the business purpose and listed as attendee(s). Alcohol will not be reimbursed.
  - 10.3** Home Entertainment - Home entertainment costs will not be reimbursed unless incurred for the specific benefit of the Company. Expenses must be pre-approved by an ELT member.
  - 10.4** Expense Report for meals or business entertainment must show the names, title, company affiliations, and business purpose of guests.
  - 10.5** Prior approval of a Vice President or above (minimum one-over-one approval) is required where entertainment expenses are anticipated to be more than \$250. Where two or more team members from the same department are incurring entertainment costs, the most senior level team member must pay.
  - 10.6** Alcohol is permitted at Company sponsored gatherings that have the prior approval of a director level or above. In such cases, the alcohol costs will be treated as a personal expense and will not be reimbursed.
  - 10.7** If a Sprouts-sponsored activity or event occurs in an establishment where alcoholic beverages are available, team members who choose to consume alcohol are expected to use reasonable judgment and comply with all applicable laws including those governing drinking and driving, as well as the Sprouts Drug and Alcohol Policy.
  - 10.8** If alcohol is made available to Sprouts' guests while conducting business or at any Company sponsored activity or event, team members are expected to use judgment and act responsibly in hosting others.
  - 10.9** Vendor or other third-party sponsored travel and entertainment is subject to the Sprouts' Code of Conduct and Ethics.

## **11.0 Compensable Travel Time**

- 11.1** Non-exempt team members will be paid for travel time when traveling on Sprouts business (travel time needs to be approved by the team members' Supervisor/Manager). The team member will be paid at their regular rate of pay (including overtime, when required by law).
- 11.2** Compensable Travel Time includes all door-to-door travel from the point of departure to the destination point, and return, except for the team member's normal home-to-work commute, which will be deducted from the travel hours.
- 11.3** Non-exempt team members scheduled to travel for Sprouts business must meet with their Supervisor/Manager in advance to estimate the amount of travel time and to make any necessary adjustments to the team member's regular schedule. Where possible; travel time and work

time should be balanced so that the travel time will not cause a non-exempt team member to have more than 40 work hours in any given week.

- 11.4** Upon completion of travel, the team member must complete a [Missed Punch Form](#) so that travel time can be entered appropriately. When completing the Missed Punch Form, the team member should list “Travel for Company Business” as the reason for the edit.

## **12.0 Expense Reimbursement**

- 12.1** All expenditures must be prudent business travel and entertainment expenses and reasonable in nature. By approving the expense report, the Cost Center Manager is confirming that all charges are in accordance with this Policy and will be held accountable under audit.
- 12.2** Expense Reports must clearly define the business purpose of the trip/expense and be submitted through Workday.
- 12.3** Expense report deadlines are based on the date the expense is incurred or travel is completed, whichever is later. Reports must be submitted within 30 days for timely reimbursement, and no later than 60 days. Per IRS regulations, anything submitted after 60 days could become taxable income to the team member.
- 12.4** Expense reports must be approved by requestor’s Cost Center Manager. Additional approvals may be required if (1) the reimbursement amount exceeds the direct supervisor’s approval or exception limit or (2) expenses are allocated to cost centers other than the team member’s own cost center.
- 12.5** Documentation required for reimbursement of travel and entertainment expenses include the following:
- Receipts of cash expenditures and credit card Hotel Folios are always required, irrespective of amount;
  - Both the itemized receipt and the credit card receipt showing the tip and total charges are required for reimbursable business charges to the Corporate Card >\$50. *The receipt threshold for reimbursable business charges to a personal credit card is >\$25.*
  - Non-Travel business charges may be charged to the Corporate Card or reimbursed if charged to a personal card as follows:
    - Conferences/Seminars/Training (when paying for yourself or direct staff)
    - Dues/ Subscriptions (when paying for yourself or direct staff)
    - Office Supplies should follow the Published Purchasing process, *de minimus* items under \$50 are allowed annually. Orders should be placed through Staples for home office supplies for remote work team members.
    - Customer Gifts
    - Associate Recognition/Awards (guideline is <\$25 per team

member per year)

- 12.6 Expense Report Non-Compliance** – If any of the expense report requirements are not met, one or more of the actions could take place:
- Expense report is sent back to the team member for further documentation;
  - Expense report is sent back to the team member to obtain further approvals;
  - Expense report is rejected for reimbursement altogether.

**Eligible Incidental Travel & Entertainment Expenses**

Taxis, ride share (Uber, Lyft)	Preferred use of transportation, unless the business trip exceeds 30 miles roundtrip to destination, two business days or travel to multiple locations is required.
Hotel parking lots, parking meters	Excludes valet parking unless personal safety is an issue or concern.
Dry-cleaning, laundry	Only where travel is more than five consecutive days.
Parking meters/lots	Reasonable expenses, no receipts required.
Ticket fees	Service fees for tickets purchased through the airline directly
Premium Seat fees	Charge for aisle, window, exit row, etc. less than \$50
Baggage fees	Baggage fee for up to one (1) checked bag; additional bag fees allowed for (i) the authorized transport of business materials or (ii) stays longer than ten (10) consecutive days (must be in direct relation to the associate’s business assignment, not for personal convenience of team member).
In-flight Internet	Internet services used for business purposes while in flight.
Global Entry or Clear Membership	For international travel only; requires approval by a member of the ELT
Airline Clubs	For frequent travelers only; requires approval by a member of the ELT
Associate Awards (e.g. gift cards)	Awards such as gift cards may be reimbursed with department VP approval; detailed listing of recipient(s) must be provided and also reported to Payroll for taxability.

**Ineligible Incidental Travel & Entertainment Expenses**

Hotel mini bar	Including snacks, bottled water and other beverages.
Personal entertainment	Including in-room movie charges, films, theatre, etc.

**13.0 Miscellaneous Expenditures**

- 13.1** Spouse Accompaniment – Expenses incurred by a team member and the team member’s spouse are reimbursable only if the team member’s spouse is necessary for a bona fide business purpose and written pre-approval by an ELT member.
- Income tax rules require the employer to include the value of spousal or non-associate travel and other incremental expenses in team member compensation. Team members are responsible for taxes related to income inclusion related to spouse accompaniment.
- 13.2** Loss of personal effects – Team members will be reimbursed up to \$200 for personal property that is damaged, destroyed or stolen while the team member is traveling for business purposes, through no negligence or other fault of the team member involved.
- The loss must be reported to the local police or hotel management.
  - Reimbursement will only occur if the team member’s insurance company does not cover the loss.
  - No reimbursement will be made for:
    - Cash;
    - Items left unattended or carelessly exposed at the time of the loss;
    - Computers, cameras, sporting or audio equipment, personal possessions of members of the team member’s family or other non-team members, personal items not associated with the purpose of the business trip, or gifts purchased by the team member;
    - Losses or damage to cars while parked in Company-provided facilities;
    - Personal property used as furnishings at the workplace.

#### **14.0 Compliance**

Any violation of this Policy will subject the team member to disciplinary action, up to and including termination of employment.

#### **15.0 Scope**

All team members are subject to this Policy. ELT members are further governed by the Company’s executive travel policy.

#### **16.0 Waivers, Amendments, Interpretations**

Any waiver, amendment or interpretation of this Policy requires the approval of the Chief Human Resources Officer (or authorized designee thereof).