

SUBJECT: CORPORATE RECORDS RETENTION POLICY		ORIGINATING DEPT: CONTROLLER	SECTION:
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INITIATED BY: Corporate Controller		APPROVED BY: Finance	

I. POLICY/PURPOSE

The objective of this Policy is to establish guidelines for the orderly, reasonable and lawful handling, maintenance and disposition of records and files which are created and handled by the Company in order to ensure the availability of records necessary for business reasons and to purge outdated or superseded records no longer useful for business or legal compliance purposes. The purpose of the Policy is to provide for the following:

- a. All records are retained for the period required by applicable state and federal laws and regulations.
- b. Adequate records will be developed and maintained to document the Company's compliance with all relevant laws and regulations.
- c. Records vital to the ongoing operation of the business shall be identified and appropriately safeguarded.
- d. Destruction of records shall take place only in compliance with this Policy in order to avoid the inference that any document was destroyed in anticipation of a specific problem.
- e. Documents and Records that are not subject to retention may need to be retained due to otherwise unusual circumstances, such as litigation or government investigation.
- f. Official e-mail (e-mail constituting a business "Record" generated in the ordinary course of business) and other electronic records, as well as hard copy records, are subject to this Policy.

II. ASSOCIATES COVERED BY THE POLICY

All Associates of the Company are covered by this policy.

III. RESPONSIBILITY FOR ADMINISTRATION AND INTERPRETATION

All levels of management are responsible for administration of this Policy. The records retention program shall be annually reviewed and approved by the Corporate Controller and the Office of General Counsel. Suggested changes should be submitted to the Corporate Controller. The Corporate Controller and the Office of General Counsel will be responsible for interpreting any portions of this Policy or the record retention plans as they may apply to specific situations.

IV. RECORDS

A “**record**” includes any information, regardless of its physical characteristic, which is created or received by the Company and should be preserved because of its informational or evidential value to the Company and its business operations. Records include paper documents as well as electronic files, whether on hard drives or other storage media, as well as publications, books, microfilm/microfiche, videos, audio recordings, maps, drawings, computer printouts, databases and all other forms of electronic media.

“**Non-record material**” includes information which has no ongoing documentary or evidentiary value to the Company. Information and documentation falling into this category need not be retained beyond the immediate purpose for which it was created. Examples include:

- a. Extra copies of documents which have been kept for convenience or reference and have no further documentary or evidential value.
- b. Publications, trade journals and magazines which require no action and have no further value to the Company.
- c. Correspondence, memos, drafts and interoffice communications relating to matters that have been concluded where those materials have no further evidential or documentary value.
- d. Drafts of documents on which no action was taken and where no follow-up is required.
- e. Personal correspondence and documents not relating to Company business.

V. EXCEPTIONS

Requests for exceptions from this Policy should be submitted first to the Corporate Controller and the Office of General Counsel and must be supported by sufficient justifications for the requested exception. When directed by the Office of General Counsel or other legal counsel, Records should be retained and not disposed of, notwithstanding the record retention periods set forth herein, in the event they may be needed for litigation or a governmental investigation. No exceptions will be made to the retention of documents subject to a litigation or investigation hold.

Although it is common practice for department managers/supervisors (other than Human Resources) to maintain employment-related documents for employees within their department, such a practice creates issues for the Company when it is trying in earnest to comply with requests for all employment documents regarding a particular individual. Accordingly, managers/supervisors are not to maintain *originals or copies* of employment-related documents in their possession and all such records are to be maintained by Human Resources. The following are the only exceptions that apply:

- a. Throughout the year, a manager/supervisor may maintain in his/her office a log/notebook of conversations and/or observations regarding employees that is used to assist in the preparation of performance appraisals, but that list must be destroyed annually. Any conversations and/or observations that need to be maintained after the annual performance review period should be reduced to a formal written document that is maintained in the employee’s official personnel file only.

- b. Some supervisors/managers like to maintain in their offices copies of *current* employee action plans and/or performance appraisals. This is allowable only as long as the information is relevant. For example, the manager may keep a copy of John Doe's 60-day Action Plan in her office for 2 months. After John has completed the plan, the copy should be destroyed and the original should be maintained in his personnel file. A manager/supervisor may maintain in his/her office a copy of an employee's performance appraisal prepared during the preceding year only. After a one-year period, the copy should be destroyed and the original will be maintained in the employee's personnel file for the applicable period.
- c. Department supervisors/managers may maintain in their offices copies of department-specific training or certification documents pertaining to their employees.

VI. RECORD RETENTION SCHEDULE

A Record Retention Schedule setting forth the retention periods for various types of records has been developed in coordination with various departments of the Company and is attached as Attachment 1. If a type of document is not listed, the Corporate Controller or the Office of General Counsel shall be consulted to determine the appropriate retention period and whether this Schedule should be amended to include such documents.

VII. DESTRUCTION

The destruction of Company records should be authorized jointly by the senior manager or department head of each corporate department of origin and by the Corporate Controller. Should these individuals be unable to agree, destruction will be stayed pending review and final determination by these individuals and the Office of General Counsel. Each department head and manager of all Associates are responsible for the safe and secure destruction of confidential records by methods which do not permit the recovery, reconstruction and future use of confidential information. In particular, paper records containing confidential information should be shredded and/or pulped, not simply thrown out with other classes of records or with miscellaneous trash. Confidential destruction performed by an approved commercial vendor shall be subject to such contractual obligations as required by the Corporate Controller and the Office of General Counsel. In no case shall such contractual arrangements introduce standards, policy, or procedures less protective of confidential records than those rules which are described in this Policy.

ATTACHMENT 1
RECORD RETENTION PERIODS

<u>DOCUMENT TYPE</u>	<u>RETENTION PERIOD</u>
<u>ACCOUNTING/FINANCE (URT = Until Released by Tax)</u>	
Account Analysis	URT (generally 7 years)
Accounts Charged Off, Credit and Collections correspondence, and Bankruptcy	URT (generally 7 years)
Accounts Payable Invoices and Credits-Paid Voucher File including copies of the voucher check, vendor's invoices, and related correspondence	URT (generally 7 years)
Accounts Payable Ledger	Permanent
Accounts Receivable Ledger Cards and Statements (after date of payment), trial balances and aging schedules	URT (generally 15 years)
Amortization and Depreciation Records	Permanent
Bank Statements, Reconciliations, and Transfer Records and Stop Payment Requests / Lists	URT (generally 15 years)
Books of Original Entry, such as Cash Receipts Journal, Cash Disbursements Journal, Voucher Register and Journal Entries	URT (generally 7 years)
Budget and Comparison Reports	3 years
Checks (Outstanding and/or cancelled) – A/P, Expense and Payroll; Void Check Listing; Outstanding Check Listing	URT (generally 15 years)
Capital Appropriation Records	URT (generally 7 years after asset disposal)
Capital Asset Records	URT (generally 7 years after asset disposal)
Check Register	Permanent
Check Requisition	7 years

ATTACHMENT 1 CONTINUED
RECORD RETENTION PERIODS

<u>DOCUMENT TYPE</u>	<u>RETENTION PERIOD</u>
Claim Files (after resolution)	7 years
Cost Reports and Statements	4 years
Donations	URT (generally 7 years)
Estimates & Projections	7 years
Excise tax records	7 years
Financial Statements – Monthly, Quarterly, Annual (Internal)	URT (generally 7 years)
Financial Statements-Certified by Public Accountant	Permanent
General Ledger and Trial Balance	URT (generally 15 years)
Payroll Register	URT (generally 15 years)
Petty Cash Records	7 years
Physical Inventory Count Report (annual, semi-annual or cycle counts)	6 years
Profit & Loss Statements	Permanent
Purchasing Card Records, including receipts and documentation	URT (generally 7 years)
Purchase Orders	7 years
T&E Expense Reports	URT (generally 7 years)
Valuation Computations	URT (generally 7 years)
Work papers Supporting Internal Audits	6 years
Work papers Supporting Monthly, Quarterly and Annual Financial Statements	URT (generally 7 years)

ATTACHMENT 1 CONTINUED
RECORD RETENTION PERIODS

<u>DOCUMENT TYPE</u>	<u>RETENTION PERIOD</u>
<u>TAX RECORDS (URT = Until Released by Tax)</u>	
Income Tax Returns and work papers	URT (generally 15 years)
Income Tax Provision and work papers	URT (generally 7 years)
Federal and State Tax Audit files	URT (generally 7 years from close of audit)
Acquisition/Disposition/Merger Agreements, Due Diligence, and related documents	Permanent
Pre-acquisition returns and related support	URT (generally 15 years from date of acquisition)
Employment Tax Returns and supporting work-papers	URT (generally 7 years)
Information Reporting (1099s & other misc. tax filings)	URT (generally 7 years)
Abandoned Property Tax Returns and supporting work-papers (including all notification letters and responses)	URT (generally 10 years)
Sales Tax Returns and work papers	URT (generally 10 years)
Property Tax Returns and work papers	URT (generally 7 years)
Tax Periodicals – Hardcopy (analysis, law changes, etc.)	URT (generally 2 years)
Back up Disks of Tax Software	URT (generally 15 years)

HUMAN RESOURCES

Accident/Injury-Related Documents:

- OSHA – Required Filings & Reports 8 years
- Specific Accident/Injury Reports 8 years after last activity **or** 40 years if OSHA Claim

ATTACHMENT 1 CONTINUED
RECORD RETENTION PERIODS

<u>DOCUMENT TYPE</u>	<u>RETENTION PERIOD</u>
Affirmative Action Plan Documents	3 years
Attendance Records (Time Cards, Schedules, etc.)	4 years
Background Check Results (Whether hired or not)	1 year
Bonus/Incentive/Commission Plan Documents	8 years after superseded
Collective Bargaining Agreements	5 years after termination
Drug Screens (rejected candidates)	1 year
Employment Applications/Resumes Received & Maintained	3 years
EEO-1 and VETS 100 Filings	10 years
EEOC or State HRC Case Files	See Legal
Employee Contracts/Employment Agreements	5 years after termination in U.S. , 6 years in Canada
Employee Fidelity Bond Records	3 years after termination/completion
Employee Benefit Files (includes FMLA paperwork, retirement, pension, beneficiary, enrollment forms, change of status forms, etc.)	6 years
Employee Personnel Files (Includes status change paperwork, contracts/agreements, EEs direct deposit authorizations, performance appraisals, etc.)	8 years after termination
Garnishments	8 years after settled/satisfied
Employment-Related Investigation Files (NOT to be maintained in EE personnel file. These are confidential company documents and many are covered by attorney/client and work product privileges)	5 years after termination
INS Form I-9 Employment Eligibility Verification Form	3 years after date of hire or 3 years after date of termination, whichever is later

ATTACHMENT 1 CONTINUED
RECORD RETENTION PERIODS

<u>DOCUMENT TYPE</u>	<u>RETENTION PERIOD</u>
Insurance Records	7 years after plan termination or employee termination, whichever is longer
Interview Notes/Records	3 years from date of hire. If not hired, 1 Year
Job Descriptions	5 years after superseded
Payroll Records	8 years
Recruitment Records (Advertisements/EE Agency Requests)	3 years
Relocation Records	7 years after move date
Retirement/Pension/RRSP Plan Documents	6 years after duration of plan in U.S., 7 years in Canada
Salary Administration Plan Documents / Compensation Policy	5 years
Settlements/Releases/Waivers	Permanent
Tax Withholding Forms (State or Federal W-2s / W-4s)	8 years
Training Manuals/Handbooks	3 years after superseded
Unemployment (Worker Security) Files	7 years after tax year
Work Permits/Minor Age Verification Documentation	3 years after the age of majority or termination, whichever is earlier
Workers Compensation Files (NOT to be maintained in EE personnel file)	7 years after closed

ATTACHMENT 1 CONTINUED
RECORD RETENTION PERIODS

DOCUMENT TYPE

RETENTION PERIOD

INFORMATION SYSTEMS

E-mail (Microsoft Exchange, OWA Webmail & Blackberry) * Note: Company does not have automatic e-mail deletion	Daily Backup – 7 day retention of backup tapes
Voicemail (Digital Voicemail only / Cisco Unity)	Bi-weekly Backup – 7 day retention of backup tapes
SAP (Financial and HR systems)	Daily Backup – 60 day retention of backup tapes
Windows Servers (Front-end applications and Web servers)	Daily Backup – 60 day retention of backup tapes
Databases (Oracle, Microsoft SQL, DB2)	Daily Backup – 60 day retention of backup tapes
Unix Servers (Back-end financial applications)	Daily Backup – 30 day retention of backup tapes

Note: See HR; Finance and other sections of this Schedule as retention periods apply to electronic data.

LEGAL

Contracts - original executed copy	15 years after termination
Government Agency Investigations, Lawsuits and Claims	15 years after conclusion
Company Uniform Franchise Offering Circulars	Permanent
Company Franchise Agreements (as franchisor)	10 years after expiration
External branded franchise agreements and license agreements	3 years after termination
Intellectual Property – Trademarks, Copyrights, Patents	6 years after expiration

ATTACHMENT 1 CONTINUED
RECORD RETENTION PERIODS

<u>DOCUMENT TYPE</u>	<u>RETENTION PERIOD</u>
Corporate Documents (Articles of Incorporation, Bylaws, etc.)	Permanent
Acquisition/Disposition documents and related work product	Permanent
Licenses & Permits – federal, state & local	6 years after expiration
Surety Bond	7 years
Compass Policies and Procedures and related documents	3 years after superseded

PLANT AND PROPERTY RECORDS

Environmental:

• Agency inspection forms	5 years or as statute requires
• Employee training	5 years after term (or as statute requires)
• Materials/waste storage and use records (e.g., SARA Title III)	10 years
• Material Safety Data Sheets	Use + 30 years
• Proprietary inspection forms	1 year (or as statute or manual requires)
• OSHA Log and documents	Per regulations
Property deeds, easements, licenses, rights of way, leases	3 years after divestiture
Title Papers to owned vehicles	Until sold
Vehicle operation & maintenance	3 years

MISCELLANEOUS

Advertising Copy, Exhibits, Press Releases and Handouts, Public Information Activity	3 years
Postage reports/stamp requisition, meter records, Airborne log	1 year

ATTACHMENT 1 CONTINUED
RECORD RETENTION PERIODS

<u>DOCUMENT TYPE</u>	<u>RETENTION PERIOD</u>
Sign in/out register	1 year
Bills of lading	6 years
Damage claims	5 years after date of claim
Receipts for registered mail and express packages	1 year
Shipping & Receiving reports and instructions	1 year
Security Incident Reports	3 years

All other documents not specifically identified above should be kept only as long as reasonably necessary.