

**GENERAL POLICIES****CP-134 RETENTION OF RECORDS**

DATE: The date when this policy is posted to the online Company Policy Manual and communicated to all business lines: December 14, 2012

**SUPERSEDES
POLICY DATED:** January 1999; January 2002; October 2009

SECTION: CP-100: General Policies

TOPIC TITLE: Retention of Records

POLICY OWNER: General Counsel

PURPOSE: The purpose of this policy is to provide the Company's expectations and guidance concerning the maintenance, use, retention and destruction of appropriate Company documents and records, collectively referred to as "records."

SCOPE: All employees of the Company. This policy is subject to all terms and conditions of the Company Policy Manual.

POLICY: In the course of regular operations, the Company periodically finds it necessary to refer to various records which document past activities and decisions. Such records of corporate operations often must be retained to fulfill legal or governmental requirements.

This policy has been established to provide a corporate-wide records management program to maintain, protect, retain or dispose of corporate records in accordance with governmental regulations, legal requirements and historical and reference needs. Examples of agencies or other parties who may have an interest in, or legal requirements regarding, our Company's records include, but are not limited to:

- Government agencies (e.g., Internal Revenue Service, U.S. Department of Labor);
- Litigants;
- Auditors (i.e., Internal corporate, external, government); and
- Employees.

For the purpose of this policy, the “Record Owner” is the division/department responsible for and in possession of the record. Division/department management are responsible for establishing a process within their respective division/department to manage Company records in accordance with this policy and to provide appropriate guidance to employees to ensure compliance.

Paper Records

The required record retention periods indicated in this policy (see Section A of the attached retention schedule) are the minimum periods of time needed to preserve the Company’s records from the “trigger date” of the retention period. The trigger date of a retention period will depend on the nature of the document and is specified in the attached retention schedule and begins the running of the retention period. There may be specific needs/reasons for retaining certain information for a longer period of time which would be determined by the specific department and communicated as appropriate.

Electronic or Computer Records

In general, the same records management principles apply to records on computers and other media as to those on paper. Electronic records that serve as the “official” retention copy of an item must comply with the same principles of records management as paper records (see Section B of the attached retention schedule). In other words, they must have a trigger date and a “Record Owner,” they generally must be organized and collected by each work group (not under individual employee control) and must be listed in any records indexes kept by the work group.

The Record Owner is responsible for ensuring records on media may be retrieved for the entire retention life of the records. Records on media that is about to become obsolete should be converted by the Record Owner to paper or other electronic format for the remainder of the retention period specified in this policy. If this is not feasible, the Record Owner must ensure the obsolete media is kept throughout the designated retention period, and a way to convert the records to a usable format is designated in case the records are needed. The technology needed to retrieve the records, for the entire retention life of the records needs to be maintained at the cost of the Record Owner.

Email Records

Email is treated differently than other electronic records (e.g., records stored on electronic media) and paper documents. For purposes of this policy, email includes received messages, sent messages and deleted messages as well as their attachments. Whereas the retention period for all other records in this policy is determined by the subject matter of the record, all email, regardless of subject, is retained as per guidance provided in Section C of the attached retention schedule.

Retention Period Exceptions

In the event of litigation or governmental investigation, the Law Department will direct records and/or documents, regardless of media, to be retained. Such records and/or documents will be exempt from the retention schedule until directed otherwise by the Law Department. This exception will be referred to as a “Legal Hold”.

Converting Paper Records to Electronic Records

Unless there is a legal requirement to maintain a record in paper form, the record may be converted to an electronic record and the paper form may be disposed of. The electronic record will then serve as the "official" retention copy and will be subject to the same retention period as the paper record. Contracts with third parties, however, should be maintained in their original form.

Destruction of Records and Documents

On an annual basis, the Company will designate and communicate, a specified time period for records review and arrange for the destruction of any Company records which have reached the end of the retention period within the preceding year. Each division/department's Record Owners are responsible for ensuring Company records are appropriately reviewed and retained in accordance with this policy and designated for destruction, if applicable. Record Owners may refer to the Administration and Finance Manual for destruction guidance.

Employees who fail to comply with this policy may be subject to constructive counseling (as more fully described in CP-220) up to and including termination of employment.

RESPONSIBILITIES:

- Employee:** Employees are required to be familiar with and comply with this policy. The Company expects employees to report any possible violations of this policy to one's supervisor or as otherwise provided in this policy.
- Management:** Managers are required to be familiar with and enforce this policy, and to take appropriate action when violations of policy occur or are reported. It is also the responsibility of Managers to ensure there are no retaliatory actions as a consequence of an employee reporting any possible violation of policy.
- Human Resources:** Human Resources representatives are responsible for being familiar with this policy in order to provide appropriate guidance and to take appropriate action when violations of policy are reported.

INTERPRETATION: The General Counsel retains the right to interpret, revise, and/or amend this policy at any time, subject to CP-103 Policy on Policies.

Section A: Retention Schedule

Category	Retention Period (in years)
Accounting/Financial Records¹	
Analyst reports	7
Auditor reports	Permanent
Bank reconciliations	7
Bank statements and deposit slips	7
Budgets	2
Cancelled checks (general, payroll)	7
Cancelled checks (fixed assets)	Permanent
Cash disbursements journal	Permanent
Cash receipts journal	Permanent
Cash register tapes ²	7
Client statements, settlements (and related documentation)	7
Commission reports	6
Correspondence	3
Credit card receipts and logs	10
Credit facility records	7
Currency transactions reports	5
Employee expense records	7
Fixed assets records	Permanent
Financial statements (annual)	Permanent
Freight bills	4
General ledgers and year-end trial balances	Permanent
Inventory records ²	7
Open accounts	Permanent
Petty cash vouchers	4
Productions and sales reports	7
Promissory notes	7
Purchase journals	Permanent
Purchase orders	7
Sales reports ²	7
Subsidiary ledgers (A/R, A/P) ³	7
Tip reports and collected information ²	7
<i>Unless otherwise stated above, the trigger dates for accounting/financial records will be the report or financial close dates, as appropriate.</i>	
Administrative and Corporate Records	
Amendments to contracts	Permanent
Annual reports (non-financial)	6
Articles of incorporation (and any amendments)	Permanent
Audit reports – Public	Permanent
Audit reports – Internal	6
Buy-sell agreements	Permanent
Bylaws	Permanent
CEO/Executive records	10
Government filings and applications	3
Records of subsidiaries liquidation	Permanent
Mergers and combinations records (antitrust)	Permanent
Minute books	Permanent
Partnership agreements	Permanent
Publications/Press releases/speeches	10

Reorganization records	Permanent
Strategy documents	Permanent
<i>Unless otherwise stated above, the trigger dates for administrative and corporate records will be based upon the superseded records, or the report or filing dates, as appropriate.</i>	
Human Resources Records	
Accident reports	7
Beneficiary forms	Permanent
Collective bargaining agreements ²	6
Compensation analysis and other documents	7
Disability	7
Employee Medical History	7
Employee Withholding Exemption Certificates	10
Employment application – Not hired	3
Family and Medical Leave records	3
Garnishments	5
Health benefits plans (Medical/Dental/Vision)	Permanent
I-9 Documentation	3
Labor relations documents	5
Life insurance benefits	5
Medical benefits	7
Other payroll records	4
Payroll and timekeeping records ²	10 AT ⁴
Pension Plan Agreement	Permanent
Personnel and performance records ²	7 AT
Plan documents	Permanent
Relocation records	7 AT
Stock option plans	Permanent
Vacation/Sick pay records	4
Workers' Compensation benefits	10
<i>Unless otherwise stated above, the trigger dates for human resources records will be the disposition, termination or payoff dates, as appropriate.</i>	
Risk Management Records	
Actuarial data/loss triangles	Permanent
Bonds (surety, bid and performance)	10
Certificates of Insurance	Permanent
Fire inspection reports	6
General liability, automobile liability, property and workers' compensation files	10
General liability case files	5
Insurance policies	Permanent
Occupational injury report file	5
OSHA Injury Log report and file ²	5
Safety audits	2
Safety bulletins	10
<i>Unless otherwise stated above, the trigger dates for risk management records will be the report or disposition dates, as appropriate.</i>	
Legal Records	
Bill of sale	Permanent
Business permits	Permanent
Claims and litigation	Permanent
Company Policy Manual	Permanent
Contracts (Employees, Government, Labor Union, Special) ⁵	Permanent

Copyright and trademark records	Permanent
Correspondence – Legal ⁶	Permanent
Deeds/Titles	Permanent
Government Affairs documents	6
Leases (after expiration/cancelation)	10
Mortgages and notes (after expiration)	6
Political Action Committee (PAC) documents	3
Patents and patent licenses	26
<i>Unless otherwise stated above, the trigger dates for legal records will be the report, filing or execution dates, as appropriate.</i>	
Tax Records	
Cancelled checks – Tax payments	Permanent
Correspondence – Tax	Permanent
Depreciation schedules	Permanent
Income Tax Returns	Permanent
FUTA/FICA/Income Tax Withholding	7
Payroll Tax Returns	Permanent
Revenue Agent Reports	Permanent
Sales Tax Returns	Permanent
<i>Unless otherwise stated above, the trigger date for tax records will be date taxes are filed.</i>	
Treasury	
Capital Expenditures	Permanent
Daily Cash Status	Permanent
Financial Institution Records	Permanent
Hedges	Permanent
<i>All treasury records are permanently maintained; therefore, no trigger date is applicable.</i>	

¹ Unit-related financial records should only be retained at the unit for no longer than 3 years.

² Records associated with federal government contracts/subcontracts should be retained for the contract period plus three years.

³ Includes A/P transmittals and invoices, sales invoices and supporting documentation and point of sale (POS) and cash register tapes

⁴ AT: After termination

⁵ Includes contracts and subcontracts in any form, including but not limited to, employee, government, labor union and client contacts.

⁶ Any correspondence relating to the provision of advice from the Law Department or all correspondence relating to claims or litigation or other administrative or judicial proceedings.

Section B: Electronic and Computer Records Retention Schedule

Category	Retention Period
Data Processing Program – Accounting Related	Unless the program or report-generating procedure is self-evident, maintain sufficient records to support or validate any report subject to tax audit.
Data Processing Program – Non-Accounting Related	Unless the program or report-generating procedure is self-evident, maintain sufficient records to support validate or permit reconstruction of any generated data that may be used as evidence in contract compliance, engineering or litigation. Users of such data must bring such circumstances to the attention of their supervisors and/or the Legal Department when such circumstances exist.
Data storage devices in computers and peripherals	At the retirement of any machine that may contain proprietary information of the Company, the data storage devices, e.g. hard drives, core memory, etc., must be completely erased or removed in compliance with equipment destruction policies provided on SodexoNet. If “official” records were maintained on such a machine, new “official” records must be established and maintained in an appropriate medium until their retention dates.

Section C: Email Retention

Email is treated differently than other electronic documents (e.g., documents stored on electronic media) and paper documents. For purposes of this policy, email includes received messages, sent messages and deleted messages. Whereas the retention period for all other documents in this policy is determined by the subject matter of the document, all email, regardless of subject, is retained for periods specified in this Section C. and retained for a limited time period. As described below, the retention period is determined by the job position of the employee who possesses a copy of the email, i.e., the sender or the recipient(s). This Section C will be implemented on a progressive basis commencing with the effective date of this policy with full implementation by January 1, 2015.

The following rules apply:

All inbox messages as well as sent and deleted items will be automatically removed from Sodexo’s email system after 90 days unless the employee takes action permitted under this Section C.

1. Employees may select messages they wish to keep for three years and may place such messages in a three-year archive folder in the email program. Those emails will be automatically deleted three years from their respective creation dates. Attachments to emails are treated as part of the email and are subject to the retention periods in this Section C. Attachments that are printed or downloaded to computers or other electronic media are subject to the retention periods for the applicable categories listed in Sections A and B. It is expected that employees will retain only those emails and/or attachments deemed necessary to retain for business purposes.
2. Emails that need to be kept for a period of time longer than three years may be printed or converted to electronic media (e.g., compact disc, external hard drive), and will be subject to the applicable retention periods for paper documents and electronic media listed in Sections A and B. All printed copies and electronic media copies of emails are to be maintained securely.

3. The President/Chief Executive Officer and his or her direct reports shall have the discretion to retain emails for a period of ten years and have an archive folder designated as such. Emails in this folder shall be deleted automatically following the ten year period. Additionally, others may be approved by the General Counsel, to have archive folders for periods longer than three years. A list of such other employees shall be kept by the Office of the Corporate Secretary. It is expected that employees will retain only those emails deemed necessary to retain for business purposes.
4. Messages managed on mobile devices (e.g., smart phones) are not currently archived and are not kept after deletion from the mobile device.
5. Emails relating to certain active or potential legal matters may be placed on Legal Hold which prevents the deletion of such emails. The Law Department has the sole discretion to place and release a Legal Hold. Upon release of the Legal Hold, the emails shall be subject to the same retention periods as otherwise contained in this Section C.
6. Emails in existence as of the effective date of this Section C and stored on network drives or Sodexo computers will be deleted or made inaccessible following a three-year period from the date of the email. Employees eligible to archive emails for periods greater than three years under (3) above, will be have such emails deleted or made inaccessible from the applicable archive folder at the end of the retention period as determined by the date of the email.