

atDOCUMENT RETENTION POLICY

I. PURPOSE:

The purpose of this Document Retention Policy is to ensure that _____ (the “Company”) retains documents for so long as retention is likely to be useful to our business and clients, or is otherwise required by applicable law. By regularly and systematically disposing of outdated or unnecessary documents, the Company can reduce storage costs and make more efficient use of current documents. At the same time, a primary reason for retaining documents is to better serve the Company’s customers by maintaining full and complete histories of customer communications and transaction histories. Therefore, the Company wants to make sure that it retains those documents that help serve customers and those that are relevant to litigation and/or government investigation in compliance with applicable law.

Any questions concerning this policy or its application should be directed to Corporate Counsel.

II. SCOPE:

This policy covers all documents in the possession of the Company. For purposes of this policy, “documents” include information on any media. This includes but is not limited to paper documents, computer tapes and discs, email, voicemail and any other electronic, analog, or digital recordings.

This policy applies to all employees of the Company. Failure to comply with this policy will result in disciplinary action up to and including termination.

III. POLICY SUMMARY:

This policy sets forth various categories of documents that the Company may have in its files, and describes the Company’s rules for retention, return or destruction of those documents. There are only two exceptions to these rules:

A. Variances

Given the variety of work the Company does, and the various documents that come into its possession accompanied by a confidentiality agreement and/or other restrictions on retention or destruction, there will be times when a variance from the Company’s retention rules will be necessary. If an employee believes such variance may be necessary for particular work, the employee should contact Corporate Counsel. Only the Corporate Counsel or the President can grant a variance from the Company retention rules.

B. Litigation and Governmental Investigations.

On occasion, litigation or a government investigation may be anticipated, threatened, or commenced. Under such circumstances, it is Company policy to retain relevant documents even if those documents would have been otherwise scheduled for destruction pursuant to the Company’s retention rules. When this exception applies, all personnel with potentially relevant documents will receive additional retention instructions from Corporate Counsel.

In addition, if an employee becomes aware of any anticipated, threatened, or actual litigation or government investigation for which documents in the employee’s possession may be relevant but the employee has not yet been instructed as to document retention, Corporate Counsel should be contacted immediately so that appropriate additional retention instructions can be issued as appropriate.

C. Implementation

Each department manager shall designate one or more persons within their department to be the keeper of records, responsible for keeping track of records, storage locations, and quarterly destruction review and completion.

IV. RETENTION RULES FOR PARTICULAR CATEGORIES OF DOCUMENTS:

A. Consumer Records

Record Type	Retention Period
Cancelled Checks	7 years
Credit Card Authentication Data (i.e card validation codes [CVCs], PIN’s)	DO NOT STORE after authorization – even if encrypted
Customer comment cards (unused), customer spotlight submissions, and requests for charitable donations	1 year
Customer comment cards printed in catalog	Life of catalog plus 3 years
Customer Contact Information and Purchase History (not including Credit Card Data)	Permanently
Customer Service – Reply emails	4 years
Electronically Stored Credit Card Data	1 year; to be retained only when encrypted and in secure environment with access to full information allowed only to authorized personnel for limited purposes Mask account numbers when displayed
Mail-in Orders containing Credit Card information*	90 days after completion of transaction; retained only by customer service/ finance and accessible only by authorized personnel prior to destruction Must be kept in a secure, locked cabinet accessible only by authorized personnel

Releases – Customer Spotlights	Life of catalog/prospector/promotional use plus 3 years
Releases – Models	Permanently

*Mail-in Orders are reviewed once a month to determine eligibility for destruction if the required retention period is met, and destroyed accordingly.

B. Products (Applies equally to all products unless otherwise specified)

Record Type	Retention Period
Dietary Supplements – GMP required Documentation	Life of the Product plus 4 years
Food Products – HACCP Documentation	Life of Product plus 4 years
Product Reaction Reports	6 years
Registration Documents for OTC Combination Products	Permanently
Registration of Food Facilities and Bioterrorism Act Documentation	Life of Product plus 4 years
Retainage for Supplements	Life of Product plus 4 years
Safety and Formula Information	Life of Product plus 4 years
Substantiation for Advertising Claims	Life of Product plus 4 years
Substantiation for Catalogs	7 years
Test Results	Permanently

C. Corporate and Legal Documents

Record Type	Retention Period
Annual Reports	Permanently
Claims and Litigation	Permanently
Contracts (vendor contracts, leases, banking agreements, service agreements, etc.)	Life of Contract, plus 6 years
Corporate Minutes	Permanently
Corporate Organizational Documents (Articles of Incorporation, Bylaws, etc.)	Permanently
Copyright Registrations	Permanently
Drafts	Retained for as long as needed; shred/place in bonded shredding disposal area when final version completed and/or no longer needed

Insurance Records (Policies, Accident Reports, Claims)	Permanently
Leases	6 years after expiration
Licenses and Permits	Permanently
Minute Book	Permanently
Settlement Agreements and Releases	25 years
Stock Transfer and Stockholder Records	Permanently
Trademark Registrations	Permanently

D. Email

Record Type	Retention Period
Non-Record Emails	Not more than 90 days unless necessary for ongoing business needs
Record Emails*	In accordance with applicable retention period in this policy

**Record emails are emails relating to one of the areas outlined in this policy. For instance, emails related to employee performance issues, which shall be retained in personnel files (by hard copy printout) or in such other location as may be designated by Human Resources. The original, email must be deleted once the hard copy printout of record email has been placed in the appropriate retention location.*

E. Other Computer or Electronic Records

Record Type	Retention Period
Backup Tapes:	
Daily Tapes	
Quarterly Tapes	
Yearly Tapes	
Voicemail Messages	Delete daily, except if a particular message needs to be retained for specific business purposes. If so, delete as soon as no longer needed. If needed longer than 30 days, request IT to download to a recording of the voicemail message and then delete the message from the voicemail system.

F. Employment/Human Resources Records

Record Type	Retention Period
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Record Type	Retention Period
401(k) Records re Employee Eligibility and Benefits	Permanently
401(k) – 5500 Reporting Forms and Supporting documentation	6 years*
Affirmative Action Programs	5 years
Applicants not hired, Recruiting, Hiring and Job Placement Records	3 years after decision is made
Benefit Plan Documents	Permanently
Disability Benefits	7 years post settlement or expiration (non-work related)
Employee Benefits	6 years, but not less than 1 year post-termination
Employee Handbooks	Permanently
Employee Notices	5 years
Employee Wage Records	4 years
Garnishments	7 years post termination
Help Wanted Ads	2 years
I-9 Forms	3 years post termination date
Medical, Exposure and Worker's Compensation Records	Duration of employment, plus 30 years
OHSA Related Records	5 years
Personnel Files	Duration of employment, plus 6 years NOTE: Emails and voicemails related to performance issues, disciplinary action, as employee complaints and resolution of complaints shall be retained in personnel files (by hard copy printout, audio tape or transcription as appropriate) or in such other location as may be designated by Human Resources.
Time Cards	3 years
Training Records	7 years
Unlawful Employment Practices, Claims, Investigations and Legal Proceeding Records	No destruction allowed in accordance with Litigation Hold procedures
Vacation and Sick Pay	4 years
W-2 and W-4 Forms	7 years post-termination
Worker's Compensation Benefits	10 years
All Other Employment Records	6 years

*But not less than 1 year following plan termination.

G. Accounting and Tax Related Records

Every taxpayer is required to maintain proper records in a manner that allows the IRS to ascertain the existence and amount of the tax liability for the period in which the IRS can audit and bring an assessment for additional taxes. Tax records will be maintained for the indicated retention periods:

Record Type	Retention Period
Accounts Payable and Accounts Receivable	7 years
ACH Authorizations	7 years after settlement date
Annual Financial Statements	Permanently
Audit Reports, Claims for Refunds, Credits or Abatements	7 years*
Bad Debt Deduction and Worthless Securities Loss Related Records	7 years*
Balance Sheets	Permanently
Bank Statements and Reconciliations	7 years
Budgets	3 years
Cancelled Checks (except for below)	7 years (Note – can be maintained electronically if accessible – see if Union Bank can download onto disk for us)
Cancelled Checks for Tax Payments	Permanently
Cash Book	Permanently
Completed Tax Returns	Permanently
Copies of Financial Packets	Permanently
Depreciation Schedule	Permanently
Employer and Employment Related Tax Records	4 years For FUTA/FICA related records, and information with respect to withholding on income earned by an employee, retain for 4 years*
Expense Related Records	4 years*
Expense Reports	7 years
Financial Statements	Permanently
Fixed Asset Records	Permanently
General Ledger	Permanently
Incoming Shipment Documents	6 years
Invoices	7 years
Local Services Tax – Exemption Certificate (PA only)	3 years
Payroll Records	7 years
Payroll Tax Returns	Permanently
Profit/Loss Statements	Permanently

Record Type	Retention Period
Purchase Orders	7 years
Records Related to the Determination of Gross Income and not mentioned otherwise herein (including, without limitation, shipping claims)	6 years* (Note – to the extent that credit card, telecheck, chargeback, refund and return info have specific holding periods, those periods should be followed. If not, and they are used in determining in gross income, then they should be held pursuant to this retention period.)
Sales Tax Returns	Permanently
Tax Basis Related Records	Life of the asset, plus 6 years
Transfer Pricing Records	4 years
All Other Tax Related Records	7 years

* The number of years from date the return or claim was filed or the last day for filing the claim or return (without regard to extensions), whichever is later

V. DESTRUCTION:

Each department will identify an employee responsible for identifying records that have met the required retention periods and are eligible for destruction, and for overseeing the destruction of such documents. Unless otherwise specified, each department must review its records once per quarter to identify those records that are eligible for destruction and destroy those records.

Paper Records

All paper records eligible for destruction shall be destroyed by one of the two following methods:

- Cross-cut shredding – items should be placed in a cross-cutting shredding machine;

or

- Bonded shredding contractor – items should be placed in the locked document shredded containers that are serviced by bonded document shredding contractors.

Destruction shall occur quarterly after each review, unless otherwise specified in this policy.

Electronic Records

All electronic records eligible for destruction shall be destroyed in the following method:

- Deletion from hard drive and all other locations

VI. COMPLIANCE:

Failure by employees to follow the procedures set forth in this policy can result in potential civil and criminal liability against the Company and its employees, as well as possible disciplinary action for the responsible individuals. Compliance by each department with this Document Retention Policy shall be reviewed at least once annually.

Document Retention Policy

CHANGE CONTROL

Original Created:

Effective Date:

Approved by:

Revision #1
Revision(s) Requested and Why: Requested by: Date Requested: Effective Date: Approved by:
Revision #2
Revision(s) Requested and Why: Requested by: Date Requested: Effective Date: Approved by:
Revision #3
Revision(s) Requested and Why: Requested by: Date Requested: Effective Date: Approved by:

Add additional pages as needed.