

# Mohawk Industries, Inc

## Records Management Policy

(North American Operations)

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# Mohawk Industries, Inc.

## Records Management Policy

Last Revised and Effective as of: December 14, 2017

### INTRODUCTION

This Records Management Policy (the "Policy") of Mohawk Industries, Inc. ("Mohawk") contains the procedures that all North American employees must follow regarding the retention and destruction of documents. The Policy has two primary goals: (1) to retain all documents that Mohawk is legally required to maintain plus any other documents that are likely to continue to be important to ongoing business efforts; and (2) to protect Mohawk's interests. A secondary, but important, purpose of the Policy is to reduce record storage costs by discarding records that either (1) are not required to be maintained or (2) the retention of which is no longer useful to the operation of the company.

The Policy is designed to meet the following objectives:

- to comply with all legal and regulatory requirements regarding record retention;
- to define responsibility for maintaining specific categories of records;
- to implement an efficient, cost-effective program for the periodic discarding of unneeded documents in the normal course of business;
- to mark and store records in ways to make retrieval easy and inexpensive;
- to safeguard Mohawk's records and protect them from being removed from the company's premises, and from being lost, damaged, or destroyed prematurely or improperly; and
- to protect the privacy and security of Mohawk's records.

The Policy sets four time periods for retention of various types of documents: 3, 7, and 10 years, and permanent retention. With fewer retention periods, the Policy will be easier to implement and will permit off-site records storage contractors to discard documents on a regular timetable and in efficient volumes. These Retention Schedules are attached to the end of this Policy, beginning on page 9.

Good record keeping is the responsibility of every employee. All employees are responsible for insuring that records maintained by them are properly identified, retained, transferred, and disposed of in accordance with this Policy. **The Policy applies to all types of records, including paper documents (originals and copies), computerized data, computer disks, tapes, or other forms of data retention and storage.** Specific information for electronic records is on page 5.

To help us comply with the Policy, each Department will appoint a point person ("Point Person") who will be responsible for assisting Department members in understanding and implementing the Policy. Each of us, however, must become familiar with those portions of the Policy that deal with the records routinely generated and maintained within our own Department. Copies of documents that your Department receives from other Department's within the company need not be retained beyond the time they are being used for ongoing projects. This approach narrows the categories of documents that each Group is responsible for

maintaining, making the Policy easier to follow and insures that records will be maintained in a proper and consistent manner by the Department most familiar with the information involved.

As part of this Policy, personnel will participate in an annual “Clean-Up Day” that will focus on systematic storage of those documents that are required to be maintained under this Policy, but which are no longer needed for day-to-day access at our offices. The “Clean-Up Day” should also be used to discard unneeded documents that are not required to be maintained under the Policy.

As we grow and change, our Policy will need to grow with us. Every employee's suggestions and ideas on how to improve the Policy are welcome. Doubtless, there will be categories of records that are created in the future that are not covered by this Policy as initially written. It is your job to call these categories of documents to the attention of your Department Point Person or the Director of Shared Services, who is serving as Mohawk’s company-wide Records Management Coordinator, so that the Policy can be revised appropriately to cover such records. A copy of the current Policy will always be available upon request from the Legal Department.

Compliance with this Policy is of the highest importance to the Company. Noncompliance may result in disciplinary action and can lead to legal, regulatory, and cost-control issues for Mohawk. We thank you in advance for your efforts to comply with this Policy.

## GENERAL DIRECTIONS

Each employee is required to become familiar with and comply fully with the Policy. **This Policy applies to all kinds of records including paper and electronic originals and copies (whether stored on your hard drive, the Company's network or other backup medium or printed out and filed), electronic data and communications, videotapes, and photographs.** The Policy identifies categories of documents and designates retention periods for each category (as set forth in the attached Schedules beginning on page 9 of this Policy). The Department with primary responsibility for these matters will be charged with the task of implementing the Policy for those materials. This approach insures that these records will be maintained in a proper and consistent manner by the Department most familiar with the information involved.

Each Point Person will act as their Department's coordinator for compliance with the Policy. This does not, however, relieve each employee of the obligation to learn and apply the Policy regarding all records within his or her custody. Each Point Person will work to remain current on the implementation of, and revisions to, the Policy in order to be a resource for others in their Department. The company-wide Records Management Coordinator will communicate from time to time with the Point Persons to inform them of important matters related to compliance with the Policy and to coordinate company-wide projects related to the Policy, such as the annual "Clean-Up Day." The Records Management Coordinator will also be available to answer questions from the Point Persons about the Policy that may arise in the course of each Department's efforts to comply with the Policy.

This Policy does not require you to open or label your files in any particular way. Each Department within the Company should discuss and decide whether it would benefit from establishing its own file labeling and indexing system. If you believe that a particular system will help you work more efficiently, will help you retrieve documents faster, or will assist in protecting the privacy and security of the company's records, you are encouraged to implement such a system.

On an ongoing basis, each employee should assess whether records in their control have ceased to be useful for current work efforts. For any such materials, you should close the file and discard and/or delete any documents that are not required to be maintained by your Department and which you do not believe you will need in the future. If the Policy requires that these documents be maintained for a certain period of time, you should then label the file, identify the type of documents included, and note the appropriate retention/destruction schedule in accordance with this Policy. Documents can be maintained on-site until the next annual "Clean-Up Day", if space permits, or can be sent to off-site storage on a rolling basis. You should ask your Point Person any questions that may arise about records management, including the assignment of the proper category to any records about which you are unsure.

## **ELECTRONIC DATA AND COMMUNICATIONS**

The Policy applies to all computer files or data, electronic communications (including e-mail messages), and databases whether on the network, on your computer's hard drive, or stored on a disk, CD-ROM, tape, blackberry, smart phone or other medium.

The Information Systems (IS) Group will be responsible for applying the Policy to computer emails and will seek to create and implement appropriate automatic systems to insure that older files, that are not required to be maintained under the Policy, are culled on appropriate schedules. The following procedures are used for backup tapes and e-mail messages. Any tapes utilized for preventive backups of the company's e-mail systems and servers will be subject to a 6 week or 40 day rotation. Thus, after 6 weeks or 40 days, each backup tape in the rotation will be recycled and overwritten with new information. For the company's file and print servers, backup tapes will be placed on a 6 month rotation. Thus, after 6 months, each backup tape in this rotation will be recycled and overwritten with new information.

On each individual employee's computer, e-mails either opened or unread will be deleted after six (6) months from the date they were first received. Employees will be instructed on exporting messages, attachments, or otherwise preserving important business records that may be contained in e-mails. Any e-mails that can be found in the "Sent Items" or the "In Box" or other "Folders" within an employee's e-mail box will be deleted 6 months after the item was first sent or received. Deleted messages placed in the 'Trash' folder are deleted within 1-2 days or less of being deleted. E-mails on an employee's smart phone will retain approximately 30 days of history although due to capacity limitations the period might be shorter. Instant Messages and history are retained for 6 months.

The IS Group cannot be responsible for the management of computer files not on Mohawk's network. Thus, files maintained on individual employees' computers must be managed by the employee who has custody of them. Under these circumstances, the employee should follow the same record keeping practices identified in the Policy as if the information stored on their computer existed in paper form. Employees should keep all business related files in their My Documents folder and put all files and folders under this section. Personal audio, video, or movies should not be placed on the network share or laptop hard drive. These are subject to immediate deletion without notice.

When an employee leaves the company, the hard drive of the computer they used during their employment will be reformatted so that the equipment can be re-issued for use by another employee.

As with all procedures in this Policy, the procedures for automatic deletion of electronic records may be suspended from time to time because of a litigation or tax hold, as described below.

## **LITIGATION, LEGAL, TAX AND AUDIT HOLDS AND CLEARANCES**

From time to time, Mohawk, like virtually all companies, receives subpoenas, document requests, and other types of official requests for specified records. It is Mohawk's policy to comply fully with all such lawful requests.

To determine whether a particular request is proper and to oversee compliance with appropriate requests, our Legal Department must review all requests as soon as possible after Mohawk receives them. If you receive any request for documents or records, or any other legal pleading or filing, you should immediately forward it to General Counsel in the Legal Department. These types of requests typically have firm deadlines associated with them. Missing these deadlines could potentially result in fines, penalties, and other costs being assessed against Mohawk. Your attention to the prompt transmission of these requests to the Legal Department is, therefore, critically important.

Additionally, Mohawk has a duty to preserve relevant records if it is involved in litigation or a government investigation, or if it reasonably anticipates litigation or an investigation.

Once the Legal Department determines that certain records need to be preserved and/or produced the Legal Department will contact the appropriate persons to put a "hold" on the types of records that need to be produced. As a result, any retention procedures under this Policy that might otherwise apply to these documents will be suspended. The Legal Department will contact Records Managers to ensure that documents under their control are preserved. The Legal Department will also contact the IS Group to make sure that relevant electronic documents are not inadvertently destroyed. In addition, the Legal Department will contact persons who may have relevant documents to ensure that those documents are preserved.

It is very important that employees familiarize themselves with these requests and fully implement the Legal Department's directives. Companies have been severely penalized for destroying records, even inadvertently, that they were required to preserve. If you ever have a doubt about whether a record in your custody is responsive to one of these requests, you should discuss it with the Legal Department as soon as possible. It is important to remember that any request to preserve documents includes electronic records. This includes emails, email attachments, Word documents, etc. These electronic records should be preserved and segregated in their original form. If you do not know how to preserve electronic records in this way, please contact the Legal Department or your Department's IS Group representative.

## **OFF-SITE STORAGE AND RETRIEVAL PROCEDURES**

Before packing records for off-site storage, be sure to take the following steps:

- Discard records which are (i) not required to be maintained by your Department AND (ii) have no foreseeable use during the storage period.
- Remove records from folders, three-ring binders, and other bulky binding mechanisms.
- Identify and separate records to be stored according to different retention periods under the Policy.
- Pack records with the same retention period together in boxes of a type approved by our off-site storage contractors. Do not include records with different retention periods in the same box.
- Enclose an index of the materials in each box so that there is an accurate record of its contents.
- Identify the enclosed materials on the outside of the box using key words and phrases that you or others at Mohawk would use when trying to retrieve the records.
- Include your Group name, record description, storage date, and scheduled destruction date on the outside of the box.
- Do not send to off-site storage any records that are or may potentially be subject to a litigation or audit hold without first obtaining approval from the Legal Department.

Complete procedures for packing, storing and retrieving records are found on page **8**.

### **ANNUAL “CLEAN-UP DAY”**

Each year, Mohawk will hold a “Clean-Up Day” to assist with our implementation of this Policy. Establishing a dedicated day to focus on the Policy may be easier for some people than trying to find time on a rolling basis to handle this important task. On “Clean-Up Day,” everyone is expected to dress down and pitch in to help their Group implement the Policy. Electronic records must be included in the clean-up day process.

Every employee is strongly encouraged to arrange his or her schedule so that they can participate in “Clean-Up Day.” In the event of an unavoidable conflict, you will still need to find time to pack and mark your records. Preferably, this should be done shortly before “Clean-Up Day” so that records you have marked for storage can be picked up along with everyone else's

## PROCEDURES FOR PACKING, STORAGE AND RETRIEVAL

For hard copy records which need to be retained in the Mohawk storage facility in north Georgia, please follow these procedures for packing and labelling:

**Address** - All box shipments should use this address:

Mohawk  
431 South Green St  
Dalton, GA 30721  
Attn: Records/Storeroom  
Dock 7-11  
Monday – Friday from 8:00a – 4:00p ONLY

**Boxes** - Only cartons designed for record storage can withstand the weight and handling when fully packed.

- Only use Approved Storage Carton (15”L x 12”W x 10”H)
- Boxes may be ordered through Staples. Cost is \$11.98 / 10 boxes per case: PREFERRED – #825695 - Staples Recycled Storages Boxes.

**Labels** - All boxes MUST be properly labeled listing the entire contents. **Writing the content information on the boxes is NOT proper labelling.**

- Cut the labels to size and fully tape on either end of the boxes. Do not tape the labels over the hand cutouts.
- It is recommended that each location create a Box List for your records.

**Carton Packaging** - When packing records into approved storage containers, please follow these guidelines:

- Group similar records into a carton. – This facilitates accurate destruction reporting and processing.
- Choose a logical system of organization. – Pack files into boxes in either alpha/numeric and date sequence.
- Due to varying retention periods, combining certain documents into one box should not be done. Example: Sales Slips with Timesheets. Combining multiple years into a single box causes discrepancies in Retention destruction dates and causes us to retain some documents longer than specified in this Policy.
- Content date ranges of each box must be within the same calendar year. The date range must be listed either in abbreviated month format (JAN-FEB) or standard format (1/2-2/28). **Using WKS 1-15 as a date range is not a proper date format for archiving.**
- Don't **over OR under** pack the carton. – Pack cartons to a maximum or minimum 90% capacity, leaving about an inch and a half of free space behind the last file. This will make it easier to retrieve. If a carton cannot be packed to capacity, fill the empty space with waste paper. Under packed carton capacity may not remain organized, and the carton could collapse under the weight of other cartons once shelved at Iron Mountain.
- Records should be placed in labeled file folders before filling carton. **NO hanging folders or binders.**

Please confirm: Your Department Point Person may have specific instructions or preferred carriers.



# RETENTION SCHEDULES

## Record Retention Schedules United States (Effective 01/01/2015)

### General Instructions/Computation of Time Periods

1. Time periods for all contracts begin upon expiration or other termination of an agreement
2. Time periods for records relating to employees begin upon termination of the employee's service
3. Other records may be kept for business reasons, but should be discarded after 3 years unless there is a compelling business reason to retain longer. For purposes of this schedule, records within this category are called "General Correspondence".

### **GENERAL CORPORATE**

#### **Permanent**

- Articles, Bylaws and Amendments
- Qualifications to do Business (State)
- Corporate Seals
- Shareholder and Board Minute Books (Parent/Subsidiary)
- Shareholder and Board Meeting Materials
- Stock Records (e.g., Ledgers, Cancelled Certificates, Transfers, Dividends)
- Bondholder Records (e.g., Ledgers)
- Public Offerings (Debt, Equity)
- Shareholder Meetings/Proxy Materials
- Annual Reports

#### **10 years**

- Acquisition Agreements (incl. schedules) (other retention period may apply to the underlying assets)
- Acquisition Files/Due Diligence Materials
- Divestiture Agreements (incl. schedules)
- Divestiture Files

#### **7 years**

- Government Correspondence
- SEC Filings (e.g., 10K, 10Q, 8K, S3, S1)

#### **3 years**

- General Correspondence
- Credit/Debt/Financing/Loan Agreements and Records

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### **FINANCE/ACCOUNTING/AUDIT/TREASURY:**

#### **Permanent**

None

#### **10 years**

- Financial Statements
- Employee Expense Reports
- Credit & Collections Records (including credit applications, bad debt and customer guarantees)
- Policies & Procedures

#### **7 years**

- Accounts Payable/Receivable Ledgers and Reports
- Capital Asset/Expenditure Reports
- Cost Accounting Reports
- Other Journals and Ledgers (including subsidiary)
- Budgets/Forecasts
- Banking Records

#### **7 years (cont'd)**

- Corporate Guarantees
- Investments
- Investor Relations/Reports
- Records Management Policies/Programs
- External Audit Reports (including correspondence and work papers)
- Internal Audit Reports
- Audit Committee Reports
- SOX Compliance/Hotline
- Regulatory Filings
- Government Correspondence

#### **3 years**

- Inventory Accounting Reports
- Investigations
- Training/Certifications
- General Correspondence

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### **PAYROLL:**

**Permanent**

- None

**10 years**

- None

**7 years**

- Garnishment Records
- Regulatory Filings

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**7 years (cont'd)**

- Government Correspondence
- Payroll tax records
- W-2s

**3 years**

- General Correspondence
- Wage and Hour Compliance

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**TAX:**

**Permanent**

- Tax Returns, Work Papers
- Tax Audits and Related Records
- Tax Planning and Forecasting
- Transfer Pricing Studies/Records
- Inter-Company Loans, Agreements
- Government Correspondence

**10 years**

- None

**7 years**

- None

**3 years**

- General Correspondence

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**INFORMATION SYSTEMS:**

**Permanent**

None

**10 years**

- Policies & Procedures
- Training/Certifications

**7 years**

- IS Strategy, Plans
- System and Development Applications
- System Administration/Access Records
- Software/Other IS Licenses and Agreements
- Technical Support
- Source Codes

**3 years**

- General Correspondence

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**LEGAL:**

**Permanent**

- Contracts – IP
- Contracts - Real Estate
- Real Property Title/Deeds
- Real Property Transfer Records
- Real Property Easements/Leases/Rights of Way
- Assignments
- Trademark and Copyright Application/Registration Records
- Patent Application/Registration Records
- Invention Disclosure Forms
- Regulatory Filings, Permits and Approvals
- Settlement Agreements/Releases in claims and litigation

**10 years**

- Training/Certifications

**7 years**

- Claims and Litigation, except settlement agreements/release which are kept permanently (including resolution)
- Court Orders and Decrees
- Contracts – General
- Government Relations
- Licenses/Permits/Certifications
- Government Correspondence

**3 years**

- General Correspondence

## **SALES, MARKETING & DISTRIBUTION:**

### **Permanent**

- Product Warranties

### **10 years**

- Training/Certifications
- Customer Contracts/Invoices/Purchase Orders

### **7 years**

- Dealer, Broker, Agent Agreements
- Customer Returns/Complaints/Chargebacks
- Customer Presentations

### **7 years (cont'd)**

- Proposals/Estimates/Quotes
- Claims/Inspections/Responses
- Customer and Dealer Relations/Records
- Advertising
- Pricing

### **3 years**

- Customer Lists
- Sales Reports
- Sales and Marketing Reports
- General Correspondence

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## **ENVIRONMENTAL, HEALTH AND SAFETY:**

### **Permanent**

- Permits and Applications
- Environmental Audits
- Waste Transportation/Disposal (including hazardous waste manifests)
- MSDS/Employee Exposure/Employee Medical Records
- Environmental Testing/Monitoring Records (e.g., emissions, waste, etc.)
- Notices of Violation or Non-Compliance (and responses)
- Regulatory Filings
- Government Correspondence

### **10 years**

- None

### **7 years**

- Licenses
- Accident/Injury Records
- General Correspondence

### **3 years**

- None

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## **ENGINEERING/OPERATIONS/PRODUCTION/QUALITY:**

### **Permanent**

None

### **10 years**

- Quality Control Testing Procedures
- Quality/Safety/Performance Testing and Results
- Product and Production Standards/Specifications
- Design, Development and Testing
- Production and Inventory Records

### **7 years**

- Research Data/Inspection Reports
- Invention Notebooks/Disclosure Forms
- Mining Permits/Records/Data
- Plant Inventory
- Government Correspondence
- Facilities Construction & Maintenance
- Equipment Contracts/Specifications (and amendments)

### **3 years**

- General Correspondence

**PURCHASING:**

**Permanent**

- Product/Vendor Warranties

**10 years**

None

**7 years**

- Purchase Orders
- Product/Vendor Specifications
- Purchasing Contracts
- Purchasing Data

**3 years**

- Vendor Selection/Pricing/Bids/Quotes
  - Vendor Sample Approvals
  - General Correspondence
- 

**LOGISTICS/TRANSPORTATION:**

**Permanent**

None

**10 years**

None

**7 years**

- Import/Export Records
- Customs Compliance Records, including NAFTA and Certificates of Origin
- Duty Drawback Records
- Fleet Carrier Management/Records

**7 years (cont'd)**

- Shipping Documents, including manifests, bills of lading, freight bills, waybills
- Receiving Documents
- Regulatory Filings, Permits and Approvals

**3 years**

- DOT/Government Certifications
  - Employee Training/Certifications
  - Trip Reports
  - General Correspondence
  - Government Correspondence
- 

**RISK MANAGEMENT:**

**Permanent**

- Insurance Policies (and applications)

**10 years**

- Loss Runs/Loss Summaries

**7 years**

- Insurance Certificates (provided)
- Insurance Certificates (received)
- Claims/Notices
- Claims Management/Resolution/Settlements
- Government Correspondence

**3 years**

- Inspections
  - General Correspondence
-

## **HUMAN RESOURCES:**

### **Permanent**

- Collective Bargaining Agreements
- Employee Confidentiality/Invention Assignment Forms
- Employee Physical/Medical Records
- Employment Policies, Procedures
- Handbooks/Certifications
- Pension and Benefit Plans/Records/Contracts
- Pension and Benefit Plan Elections, Contributions, Payments and Distributions
- Employee Withholding Elections/Records

### **10 years AFTER TERMINATION OF EMPLOYEE'S SERVICE**

- General Personnel Records/Files

### **7 years**

- Employment Contracts
- Affirmative Action Programs/Reports
- EEO-1 and EEO-2 Reports
- Drug, Alcohol Testing
- Time and Attendance Records
- Pension/Benefit Plan Government Filings
- Government Correspondence

### **3 years**

- Immigration Compliance (e.g., I-9's)
- Applications/Resumes
- Employment Agency Contracts/Documents
- Requests for FMLA Leave
- Executive Compensation – Records, Surveys and Studies
- General Compensation – Wage/Salary Surveys and Administration
- Census and Headcount Records
- General Labor and Employee Relations
- Training Records/Certificates
- General Correspondence

Mexico  
Record Retention Schedules  
(Proposed 04/23/2014)

**GENERAL CORPORATE**

**Permanent**

- Articles, Bylaws and Amendments
- Qualifications to do Business (State)
- Corporate Seals
- Corporate Books: Shareholder and Board Minute Books (Parent/Subsidiary); Capital Variations Book; Shareholders' Registry Book
- Shareholder and Board Meeting Materials
- Stock Records (e.g., Ledgers, Outstanding and Cancelled Certificates, Transfers, Dividends)
- Bondholder Records (e.g., Ledgers)
- Public Offerings (Debt, Equity)
- Filings before the National Banking and Securities Commission (if any)
- Shareholder Meetings/Proxy Materials
- Annual Board and Statutory Auditor Reports

- National Foreign Investment Registry Reports and Notices
- Credit/Debt/Financing/Loan Agreements and Records
- Any documents related with mergers or corporate spin-off's.

**10 years**

- Acquisition Agreements (incl. schedules) (other retention period may apply to the underlying assets)
- Acquisition Files/Due Diligence Materials
- Divestiture Agreements (incl. schedules)
- Divestiture Files

**7 years**

- Government Correspondence

**3 years**

- General Correspondence

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**FINANCE/ACCOUNTING/AUDIT/TREASURY:**

**Permanent**

None

**10 years**

- Financial Statements
- Employee Expense Reports
- Credit & Collections Records (including credit applications, bad debt and customer guarantees)
- Policies & Procedures

- Internal Audit Reports
- Audit Committee Reports
- SOX Compliance/Hotline
- Regulatory Filings
- Government Correspondence
- Accounting records and entries, work papers, bank statements, accounting books<sup>2</sup>.
- Inventory Accounting Reports

**5 years**

- Accounts Payable/Receivable Ledgers and Reports
- Capital Asset/Expenditure Reports
- Cost Accounting Reports
- Other Journals and Ledgers (including subsidiary)
- Budgets/Forecasts
- Banking Records

**3 years**

- Investigations
- Training/Certifications
- General Correspondence

**5 years<sup>1</sup>**

- Corporate Guarantees
- Investments
- Investor Relations/Reports
- Records Management Policies/Programs
- External Audit Reports (including correspondence and work papers)

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<sup>1</sup> For tax purposes in Mexico, the 5 year term for retaining accounting documents and records is considered as of the date in which the corresponding tax return was or should have been filed for the period when the operations last had an effect or the date of the final resolution for concepts subject to litigation.

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<sup>2</sup> For those cases where there is a net operating loss (NOL) for tax purposes in a certain fiscal year, accounting documents (financial statements, accounting entries, registries and books as well as work papers, bank statements, etc.) must be kept for at least 5 years following the one in which such NOL's are carried forward.

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**PAYROLL:**

**Permanent**

- None

**10 years**

None

**5 years**

- Employee Withholding Elections/Records<sup>3</sup>
  - Garnishment Records
  - Regulatory Filings
  - Government Correspondence
  - Labor tickets, payroll, payment receipts, attendance controls, and any other payment receipts of vacations, vacation bonus, Christmas bonus, Profit Sharing etc..<sup>4</sup>
- 

**3 years**

- General Correspondence
- 

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<sup>3</sup> According to Income Tax Law this shall be retained for a minimum of 5 years since tax authorities may at any time exercise any of its verification powers in order to verify the compliance of this obligation.

<sup>4</sup> These documents must be kept permanently while the labor relation subsists and for 1 year after termination thereof for any labor contingency; however, according to Income Tax Law this shall be retained for a minimum of 5 years since all accounting records and documentation related with accounting and tax calculations shall be retained for at least that period.

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**TAX:****Permanent**

- Tax Returns, Work Papers
- Tax Audits and Related Records
- Tax Planning and Forecasting
- Transfer Pricing Studies/Records
- Inter-Company Loans, Agreements
- Government Correspondence
- Tax documentation concerning dividend or profit distributions
- Documentation concerning transfer of shares

**10 years**

- None

**5 years**

- Foreign Shareholders' Notices (Art. 27 Federal Tax Code)
- Reports and information filed in connection with the Anti-Laundering Law

**3 years**

- General Correspondence
- 

**INFORMATION SYSTEMS:****Permanent**

None

**10 years**

- Policies & Procedures
- Training/Certifications

**7 years**

- IS Strategy, Plans
- System and Development Applications
- System Administration/Access Records
- Software/Other IS Licenses and Agreements
- Technical Support
- Source Codes

**3 years**

- General Correspondence
- 

**LEGAL:****Permanent**

- Contracts – IP
- Contracts - Real Estate
- Real Property Title/Deeds
- Real Property Transfer Records
- Real Property Easements/Leases/Rights of Way
- Assignments
- Trademark and Copyright Application/Registration Records
- Patent Application/Registration Records
- Invention Disclosure Forms
- Regulatory Filings, Permits and Approvals

- Licenses/Permits/Certifications<sup>6</sup>
- Government Correspondence

**3 years**

- General Correspondence
- 

**10 years**

- Training/Certifications

**7 years**

- Claims and Litigation (including resolution)<sup>5</sup>
  - Court Orders and Decrees
  - Contracts – General
  - Government Relations
- 

<sup>5</sup> In general, claims and litigation related documents should be kept until a final and definitive resolution has been issued by competent authority. That is, until such resolution reaches its last instance and cannot be challenged any more.

<sup>6</sup> Any licenses, permits or certifications should be kept for as long as the company needs them for its operation. If they have an expiration date then they may transferred for storage; if they must be renewed their renewals shall be kept until they expire.



## **SALES, MARKETING & DISTRIBUTION:**

### **Permanent**

- Product Warranties

### **10 years**

- Training/Certifications

### **7 years**

- Customer Contracts/Invoices/Purchase Orders<sup>7</sup>
- Dealer, Broker, Agent Agreements
- Customer Returns/Complaints/Chargebacks
- Customer Presentations

### **7 years (cont'd)**

- Proposals/Estimates/Quotes
- Claims/Inspections/Responses
- Customer and Dealer Relations/Records
- Advertising
- Pricing

### **3 years**

- Customer Lists
- Sales Reports
- Sales and Marketing Reports
- General Correspondence

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<sup>7</sup> According to Income Tax Law this shall be retained for a minimum of 5 years since tax authorities may at any time exercise any of its verification powers and this information might be useful as a proof before such tax authorities.

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**ENVIRONMENTAL, HEALTH AND SAFETY:****12 years**

- Permits and Applications
- Environmental Audits
- Waste Transportation/Disposal (including hazardous waste manifests)
- MSDS/Employee Exposure/Employee Medical Records
- Environmental Testing/Monitoring Records (e.g., emissions, waste, etc.)
  
- Licenses

- Accident/Injury Records
- Notices of Violation or Non-Compliance (and responses)
- Regulatory Filings
- Government Correspondence
- General Correspondence

**3 years**

- None
- 

**ENGINEERING/OPERATIONS/PRODUCTION/QUALITY:****Permanent**

None

**10 years**

- Quality Control Testing Procedures
- Quality/Safety/Performance Testing and Results
- Product and Production Standards/Specifications
- Design, Development and Testing
- Production and Inventory Records

**7 years**

- Research Data/Inspection Reports
- Invention Notebooks/Disclosure Forms
- Mining Permits/Records/Data
- Plant Inventory
- Government Correspondence

**3 years**

- Facilities Construction & Maintenance
  - Equipment Contracts/Specifications (and amendments)
  - General Correspondence
- 

**PURCHASING:****Permanent**

- Product/Vendor Warranties

**10 years**

None

**7 years**

- Purchase Orders<sup>8</sup>
- Product/Vendor Specifications
- Purchasing Contracts

**3 years**

- Vendor Selection/Pricing/Bids/Quotes
- Vendor Sample Approvals
- General Correspondence

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<sup>8</sup> According to Income Tax Law this shall be retained for a minimum of 5 years since tax authorities may at any time exercise any of its verification powers and this information might be useful as a proof before such tax authorities.

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**LOGISTICS/TRANSPORTATION:**

**Permanent<sup>9</sup>**

Import declarations of the machinery and equipment imported on temporary basis  
Government Certifications in foreign trade matters

**10 years**

None

**5 years**

- Import/Export Records
- Customs Compliance Records, including NAFTA and Certificates of Origin
- Duty Drawback Records

- 
- Government Correspondence
- Foreign trade Audits and related records
- Fleet Carrier Management/Records

**5 years (cont'd)**

- Shipping Documents, including manifests, bills of lading, freight bills, waybills
- Receiving Documents
- Regulatory Filings, Permits and Approvals

**3 years**

- DOT
- Employee Training/Certifications
- Trip Reports
- General Correspondence

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<sup>9</sup> This may be requested by the authority at any time.

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## **RISK MANAGEMENT:**

### **Permanent**

- Insurance Policies (and applications)

### **10 years**

- Loss Runs/Loss Summaries

### **7 years**

- Insurance Certificates (provided)
- Insurance Certificates (received)
- Claims/Notices
- Claims Management/Resolution/Settlements
- Government Correspondence

### **3 years**

- Inspections
- General Correspondence

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## **HUMAN RESOURCES:**

### **Permanent<sup>10</sup>**

- Collective Bargaining Agreements
- Revision of the Collective Bargain Agreements, and of the salary categories.
- Employee Confidentiality/Invention Assignment Forms
- Employee Physical/Medical Records<sup>11</sup>
- Employment Policies, Procedures
- Handbooks/Certifications
- Pension and Benefit Plans/Records/Contracts
- Pension and Benefit Plan Elections, Contributions, Payments and Distributions

### **10 years**

- General Personnel Records/Files

### **5 years**

- Employment Contracts
- Affirmative Action Programs/Reports
- Drug, Alcohol Testing
- Time and Attendance Records
- Executive Compensation – Records, Surveys and Studies
- General Compensation – Wage/Salary Surveys and Administration
- Pension/Benefit Plan/Social Security Government Filings<sup>12</sup>
- Government Correspondence

### **3 years**

- Immigration Compliance (e.g., FM3's)
- Applications/Resumes
- Employment Agency Contracts/Documents
- Census and Headcount Records
- General Labor and Employee Relations
- Training Records/Certificates
- General Correspondence

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<sup>10</sup> In general, any employee related documents should be kept permanently as long as the labor relationship subsists with that employee; after termination thereof, documents should be kept at least one year thereafter, considering that in case of any labor contingency the Federal Labor Law states that work-related causes of action prescribe after one year, as of the date in which the action may be claimed.

<sup>11</sup> In this specific case, the Federal Labor Law states that an employee has a term of 2 years to bring claims for indemnity for work related risks. Thus, it is advisable to keep these records while the labor relation subsists and two years after termination thereof.

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<sup>12</sup> Any records regarding payment of wages and salaries, fringe benefits, and social security contributions, such as IMSS or INFONAVIT payments, should be kept while the labor relation subsists and for 5 years after termination thereof, given social security claims prescribe 5 years after termination, according to the INFONAVIT Law and the IMSS Law and tax authorities have that time to exercise their verification powers.

**Guideline for Corporate Record Retention  
Canada  
List of Documents**

***NB: There are no statutory notice periods for many records types. In such circumstances, regard is to be had to business unit requirements. In such circumstances we stipulate that deference is to be had to US retention period on the understanding that an appropriate consideration of business needs and best practices has already been undertaken. In cases where we feel that best practices strongly dictate a longer retention period than stipulated for the US we have inserted our recommendation.***

**GENERAL CORPORATE**

**Permanent**

- Articles, Bylaws and Amendments
- Qualifications to do Business (State)
- Corporate Seals
- Shareholder and Board Minute Books (Parent/Subsidiary)
- Shareholder and Board Meeting Materials
- Stock Records (e.g., Ledgers, Cancelled Certificates, Transfers, Dividends)
- 
- Bondholder Records (e.g., Ledgers)
- Public Offerings (Debt, Equity)
- Shareholder Meetings/Proxy Materials
- Annual Reports
- SEC Filings (e.g., 10K, 10Q, 8K, S3, S1)
- Credit/Debt/Financing/Loan Agreements and Records

**10 years**

- Acquisition Agreements (incl. schedules) (other retention period may apply to the underlying assets)
- Acquisition Files/Due Diligence Materials
- Divestiture Agreements (incl. schedules)
- Divestiture Files

**7 years**

- Government Correspondence

**3 years**

- General Correspondence

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## **FINANCE/ACCOUNTING/AUDIT/TREASURY:**

### **Permanent**

- Corporate Guarantees
- Investments
- Regulatory Filings
- Investigations

### **10 years**

- Financial Statements
- Employee Expense Reports
- Credit & Collections Records (including credit applications, bad debt and customer guarantees)
- Policies & Procedures

### **7 years**

- Accounts Payable/Receivable Ledgers and Reports
- Capital Asset/Expenditure Reports

- Cost Accounting Reports
- Other Journals and Ledgers (including subsidiary)
- Budgets/Forecasts
- Banking Records
- Investor Relations/Reports
- Records Management Policies/Programs
- External Audit Reports (including correspondence and work papers)
- Internal Audit Reports
- Inventory Accounting Reports
- Audit Committee Reports
- SOX Compliance/Hotline
- Government Correspondence

### **3 years**

- Training/Certifications
- General Correspondence

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## **PAYROLL:**

### **Permanent**

- Employee Withholding Elections/Records

### **10 years**

- Payroll Tax Records – **Quebec only**

### **7 years**

- Garnishment Records
- Regulatory Filings
- Government Correspondence
- Payroll tax records – **All provinces EXCEPT Quebec**
- W-2s

### **3 years**

- General Correspondence
- Wage and Hour Compliance

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## **TAX:**

### **Permanent**

- Tax Returns, Work Papers
- Tax Audits and Related Records
- Tax Planning and Forecasting
- Transfer Pricing Studies/Records
- Inter-Company Loans, Agreements
- Government Correspondence

### **10 years**

- None

### **7 years**

- None

### **3 years**

- General Correspondence

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## **INFORMATION SYSTEMS:**

### **Permanent**

None

### **10 years**

- Policies & Procedures
- Training/Certifications

### **7 years**

- IS Strategy, Plans
- System and Development Applications
- System Administration/Access Records
- Software/Other IS Licenses and Agreements
- Technical Support
- Source Codes

### **3 years**

- General Correspondence
- 

## **LEGAL:**

### **Permanent**

- Contracts – IP
- Contracts - Real Estate
- Real Property Title/Deeds
- Real Property Transfer Records
- Real Property Easements/Leases/Rights of Way
- Assignments
- Trademark and Copyright Application/Registration Records
- Patent Application/Registration Records
- Invention Disclosure Forms
- Regulatory Filings, Permits and Approvals
- Settlement Agreements/Releases in claims and litigation
- Court Orders and Decrees
- Contracts – General
- Government Relations
- Licenses/Permits/Certifications
- Training/Certifications

### **10 years**

- None

### **7 years**

- Claims and Litigation, except settlement agreements/release which are kept permanently
- Government Correspondence

### **3 years**

- General Correspondence
- 

## **SALES, MARKETING & DISTRIBUTION:**

### **Permanent**

- Product Warranties

### **10 years**

- Training/Certifications
- Customer Contracts/Invoices/Purchase Orders

### **7 years**

- Dealer, Broker, Agent Agreements
- Customer Returns/Complaints/Chargebacks
- Customer Presentations

### **7 years (cont'd)**

- Proposals/Estimates/Quotes
- Claims/Inspections/Responses
- Customer and Dealer Relations/Records
- Advertising
- Pricing

### **3 years**

- Customer Lists
- Sales Reports
- Sales and Marketing Reports
- General Correspondence

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## **ENVIRONMENTAL, HEALTH AND SAFETY:**

### **Permanent**

- Permits and Applications
- Environmental Audits
- Waste Transportation/Disposal (including hazardous waste manifests)
- MSDS/Employee Exposure/Employee Medical Records
- Environmental Testing/Monitoring Records (e.g., emissions, waste, etc.)
- Notices of Violation or Non-Compliance (and responses)
- Regulatory Filings
- Government Correspondence

- Accident/Injury Records
- 

### **10 years**

- Licenses

### **7 years**

- General Correspondence

### **3 years**

- None
- 

## **ENGINEERING/OPERATIONS/PRODUCTION/QUALITY:**

### **Permanent**

- None

### **10 years**

- Quality Control Testing Procedures
- Quality/Safety/Performance Testing and Results
- Product and Production Standards/Specifications
- Design, Development and Testing
- Production and Inventory Records

### **7 years**

- Research Data/Inspection Reports
- Invention Notebooks/Disclosure Forms
- Mining Permits/Records/Data
- Plant Inventory
- Government Correspondence
- Facilities Construction & Maintenance
- Equipment Contracts/Specifications (and amendments)

### **3 years**

- General Correspondence
- 

## **PURCHASING:**

### **Permanent**

- Product/Vendor Warranties

### **10 years**

- None

### **7 years**

- Purchase Orders
- Product/Vendor Specifications
- Purchasing Contracts
- Purchasing Data

### **3 years**

- Vendor Selection/Pricing/Bids/Quotes
- Vendor Sample Approvals
- General Correspondence



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**LOGISTICS/TRANSPORTATION:****Permanent**

- None

**10 years**

- None

**7 years**

- Import/Export Records
- Customs Compliance Records, including NAFTA and Certificates of Origin
- Duty Drawback Records
- Fleet Carrier Management/Records

**7 years (cont'd)**

- Shipping Documents, including manifests, bills of lading, freight bills, waybills
- Receiving Documents
- Regulatory Filings, Permits and Approvals

**3 years**

- DOT/Government Certifications
- Employee Training/Certifications
- Trip Reports
- General Correspondence
- Government Correspondence

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**RISK MANAGEMENT:****Permanent**

- Insurance Policies (and applications)

**10 years**

- Loss Runs/Loss Summaries

**7 years**

- Insurance Certificates (provided)
- Insurance Certificates (received)
- Claims/Notices
- Claims Management/Resolution/Settlements
- Government Correspondence

**3 years**

- Inspections
- General Correspondence

---

**HUMAN RESOURCES:**

**Permanent**

- Collective Bargaining Agreements
- Employee Confidentiality/Invention Assignment Forms
- Employee Physical/Medical Records
- Employment Policies, Procedures
- Handbooks/Certifications
- Pension and Benefit Plans/Records/Contracts
- Pension and Benefit Plan Elections, Contributions, Payments and Distributions
- Employee Withholding Elections/Records

**10 years AFTER TERMINATION OF EMPLOYEE'S SERVICE**

- General Personnel Records/Files

**7 years**

- Employment Contracts
- Affirmative Action Programs/Reports
- EEO-1 and EEO-2 Reports
- Drug, Alcohol Testing
- Time and Attendance Records
- Pension/Benefit Plan Government Filings
- Government Correspondence

**3 years**

- Immigration Compliance (e.g., I-9's)
- Applications/Resumes
- Employment Agency Contracts/Documents
- Requests for FMLA Leave
- Executive Compensation – Records, Surveys and Studies
- General Compensation – Wage/Salary Surveys and Administration
- Census and Headcount Records
- General Labor and Employee Relations
- Training Records/Certificates
- General Correspondence