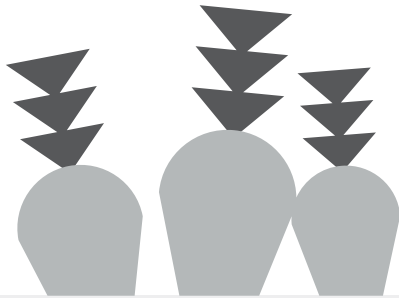


WHAT IS A CO-OP?

A co-op is a group of people who pool their resources to get what they need. Although most of us are familiar with natural foods, electric or farm co-ops, a co-op can be any kind of business or service. What makes a co-op unique is that it is owned by the membership.



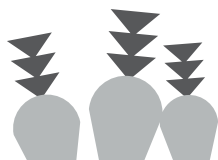
• COOPERATIVE PRINCIPLES •

- 1 Voluntary & Open Membership**
No tests, no prerequisites.
- 2 Democratic Member Control**
No matter how much equity an Owner contributes, each Owner has only one vote and, therefore, equal say.
- 3 Member Economic Participation**
Shop more, save more!
- 4 Autonomy & Independence**
We're consumer-owned, that's the difference.
- 5 Education, Training & Information**
We love to help. Let us!
- 6 Cooperation Among Cooperatives**
"Many hands make light work" – Grandma Irene
- 7 Concern For Community**
Although a co-op needs to be profitable to remain in business, the co-op also exists to serve the community, not solely to make a profit for its shareholders.

• WHOLE FOODS CO-OP OWNER BENEFITS •

- ▶ **Owner Deals**
Special Owner-only deals printed on the back page of our quarterly newsletter, the Garbanzo Gazette.
- ▶ **Special Order Discounts**
Savings for Owners.
- ▶ **Taste-E Coupons**
Sign up for exclusive weekly email coupons.
- ▶ **Voting Rights**
"One member = one vote."
- ▶ **Owner Appreciation Events**
Store tours, free yoga or a night at the ball game... Watch the "What's Happenin'" section of the Garbanzo Gazette for more info about Owner events.
- ▶ **Owner Participation Opportunities**
Watch our website and Facebook page for these opportunities.
- ▶ **Discounts at Select Area Businesses**
See the Community Cooperation Program brochure.
- ▶ **Discounts on WFC U Classes at the Co-op.**
- ▶ **Additional Household Members**
Up to 3 people who live at your address may be included with your ownership.
- ▶ **Eligibility for Access Discount and Matching Funds Support**
Special discounts are available for income-eligible Owners. Ask for information at Customer Service.
- ▶ **Garbanzo Gazette Newsletter**
Discount on advertising!
- ▶ **Earn a Patronage Rebate**
In profitable years, as determined by our Board of Directors, Owners receive a patronage rebate based on how you shop.

Don't forget that benefits of your Whole Foods Co-op ownership are tied to use, not to how much you invest in WFC. The more you purchase at your Co-op, the more return you will see on your equity investment.



• KEEP IN TOUCH •

HILLSIDE

610 East 4th Street
Duluth, MN 55805

DENFELD

4426 Grand Avenue
Duluth, MN 55807

www.wholefoods.coop

218.728.0884

OPEN DAILY • 7 AM – 9 PM



Sarah Hannigan
General Manager

PHONE 218.728.0884 | ext. 101

FAX 218.728.0490

shannigan@wholefoods.coop

E-group address to communicate
with entire Board and the General
Manager:

wfcbod@wholefoods.coop

Call **218.728.0884** to leave
a call-back request for a
particular Board member.

Letters addressed to the Board or a
particular board member c/o Whole
Foods Co-op will be forwarded
unopened to the Board/Board
member.

OWNER PARTICIPATION

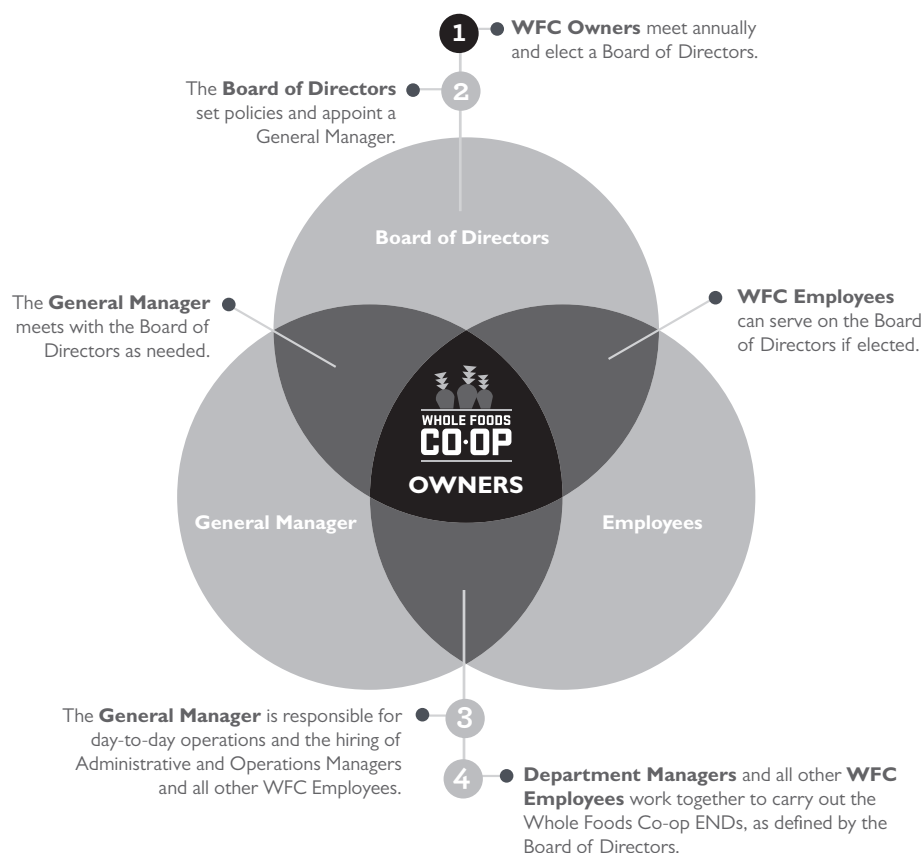
WHOLE FOODS CO-OP STRUCTURE

WHILE THE COOPERATIVE PRINCIPLES GIVE GUIDANCE TO THE WAY WE DO BUSINESS, THE MANAGEMENT STRUCTURE ALSO DIFFERS FROM OTHER BUSINESS MODELS.

To give you an idea of how the Co-op is set up (and the part you now play in how it all works), take a look at your Co-op's management structure:

GOVERNANCE = Co-op Owners & Board Members

These people are part of the governance of the Co-op (store policy, ENDS, etc.). Owners may be Employees, Board Members or community members.



OPERATIONS = Co-op Employees

These people are part of the operations of the Co-op (ordering food, stocking shelves, ringing up orders, etc.). WFC Employees are not required to become Owners, but currently many of them are.

HISTORY OF YOUR CO-OP

We have been a part of our community since 1970. Now that you know what a co-op is, take a look at the history of your Co-op...

OWNER PARTICIPATION

GET INVOLVED!

OWNERS ARE ENCOURAGED TO PARTICIPATE IN THE OWNERSHIP OF THEIR CO-OP (SEE BY-LAWS & ARTICLES OF INCORPORATION AT THE END OF THE BOOKLET).

Owners can be involved by running for the Board of Directors, voting in Board elections, voting on matters presented by the Board, serving on committees established by the Board, seeking information on issues related to the mission of the Co-op, responding to Co-op surveys and contacting local, state and federal representatives on issues related to the Co-op's mission.

Owners can also contribute by attending the Annual Meeting, encouraging others to become Owners and by shopping frequently at the Co-op.

• BOARD MEETINGS •

Meetings of the Board of Directors, except for closed sessions, are open to WFC Owners. If you have an item for discussion at the Board meeting, please submit your item in writing by the first Friday of the month in which you request the Board's consideration. Such agenda items will be subject to time constraints at the Board meeting. Board meetings are on the 4th Monday of every month beginning at 5:30 PM subject to change due to holidays and Co-op events.

Now that you're feeling great about being an Owner, there are a few things we need you to keep in mind:

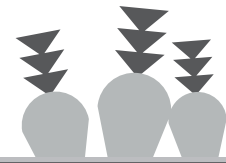
- If you move, let us know.
This is a requirement to keep your ownership in good standing.
- If you have a change in your telephone number, let us know.
- If your name changes, let us know.
- If you want others in your household* to have access to your ownership privileges, let us know.

Any of these can be done by filling out an Owner Solutions form at the Customer Service Counter by the Primary Owner.

If we don't have your up-to-date information, you will be made inactive. We'd like to keep you as an Owner In Good Standing, so keep us in the loop when life changes occur.

In the event that you no longer wish to be an Owner of Whole Foods Co-op, please contact us for an Application To Terminate Ownership. Fill it out and turn it in for approval by the Board. Approval of Termination Requests and refund of equity is subject to Board discretion and to the financial health of the Co-op. Termination requests are considered by the Board in February each year.

*See page 19 for Owner Household Policy



• BOARD OF DIRECTORS •



CAROL ANDREWS
Secretary

Term expires 2018
candrews@wholefoods.coop



JAMIE HARVIE
Vice President

Term expires 2017
jharvie@wholefoods.coop



RYAN JONES-CASEY
Treasurer

Term expires 2019
wpulford@wholefoods.coop



BRAD NELSON

Term expires 2018
brnelson@wholefoods.coop



DALE PEACOCK

Term expires 2019
jsramek@wholefoods.coop



MICKEY PEARSON
Board President

Term expires 2018
mpearson@wholefoods.coop



JEAN SRAMEK

Term expires 2018
jsramek@wholefoods.coop


1970 | 20 members form the **Whole Foods Buying Club** in the **Chester Creek House** at 13th Avenue East & 2nd Street.

1971 | First Coordinator hired

1972 | **Summer:** 901 East 7th Street
Fall: 24 West 5th Street



LOCAL

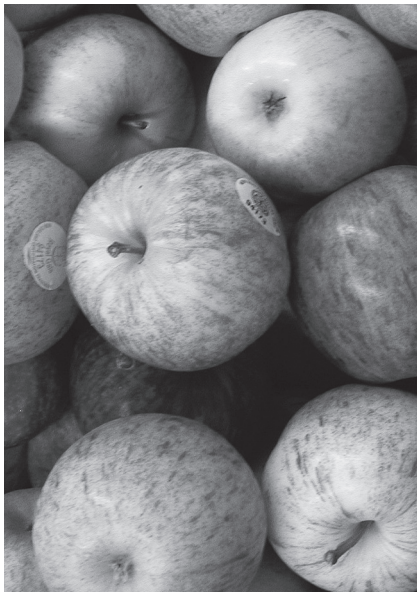


LOCAL = MN / WI

Additionally, we give purchasing preference to LOCAL producers and growers from the Superior Compact region:

Minnesota Counties:
Aitkin, Carlton, Cook, Itasca,
Koochiching, Lake, Pine, St. Louis

Wisconsin Counties:
Ashland, Bayfield, Burnett, Douglas,
Iron, Sawyer, Washburn



SAVING MONEY AT THE CO-OP

Many of our Owners were non-owner shoppers before they decided to make an investment in the Co-op. Now that you are a WFC Owner, there are even more values. Check out these money saving tips.

Owner Deals

Owners can find exclusive Owner Appreciation discounts printed on the back page of our quarterly newsletter, the Garbanzo Gazette.

Coupons

Sign up for weekly Taste Ecoupons. Each week you will receive this Owner only coupon via email. These are typically valued at \$2 – \$6.

Fresh Deals

Our Fresh Deals offer deep discounts on a select list of items in our fresh departments. New deals are offered each week to keep it *fresh!*



**coop™
deals**

Co+op Deals

Co+op Deals specials are available to all shoppers and are found in the Co+op Deals sales flyer. These flyers are sent to you each month and are also available on our website and at the store. If you see an item in the flyer that we don't carry, you can request a Special Order. Co+op Deals have 'Co+op Deals' on the tag near the item. Watch for new Co+op Deals two times each month.

Co+op Basics

Look for the purple signs throughout the store for a variety of popular, affordable grocery and household staples. We offer these popular items at the lowest possible price every day!

Special Sales

Watch for the **cha-CHING!** sales signs in the store and extra special deals on our Facebook page. If we get a great deal, we want to pass it along!

Community Cooperation Program

The Community Cooperation Program (CCP) is a money-saving benefit for Owners in good standing. Owners can show their WFC ownership card at select local, independently-owned businesses for discounts. Check out the CCP brochure or our website for participating businesses.



● **1972** | Summer: 901 East 7th Street,
Fall: 24 West 5th Street

● **1973** | WFC merges with
Community Food Buying Club
at 631 East 8th Street

● **1981** | WFC merges with
West End Co-op

TIPS FOR WFC OWNERS



Shop in the Bulk Department

Use your own container or ours to buy just the right amount you need. It's easy! Simply weigh your container and be sure to write the PLU (price look up) number on a tag or on the container.

Place Special Orders

Owners save when they pre-order case/bulk quantities of eligible items. Most Special Orders arrive within a week of ordering. Owners receive either a call or text message when items are available for pick up. Special orders are held for 2 weeks (or 48 hours for perishable items). Stop at the Customer Service Counter (CSC) so we can retrieve it before you do your other shopping. This will allow us to get your products and have them waiting for you at the till when you check out. Owners receive special order price or sales price, whichever is lower.

Reuse Your Containers

It saves you money and helps to reduce waste. If you reuse a container or bag for produce and/or bulk, we will deduct \$.03 from your receipt for each container you reuse.

Buy in season.

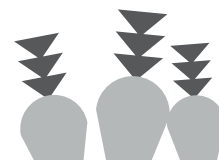
It seems like a no brainer, but it bears repeating that items bought in season are at the peak of both flavor and nutritional value. Freezing or canning will bring the freshness of the season to you year-round.

Buy LOCAL.

Your co-op supports LOCAL farmers because we know that the closer to us a product is grown, produced or processed, the more positive the impact on our economy.

Buy from those you know.

We can recommend the freshest produce, introduce you to our LOCAL growers and suppliers, give you cooking instruction and turn you on to the best we have to offer. Natural foods are our only business. Your dollar won't be wasted when you know what's going in your cart!



• LEARN THE LINGO •



Familiarize yourself with some of the terms you see at the Co-op:

LOCAL: Whole Foods Co-op defines LOCAL as grown, raised, produced or processed in the states of Minnesota or Wisconsin. We place an additional focus on and prioritize purchases of LOCAL products from the Superior Compact Region: A 15-County area around our Lake Superior Bioregion.

Fair Trade: a method of exchanging goods on the global market that assures the producer receives a fair price. An independent third party certifies Fair Trade goods. Some of the Fair Trade Certified items at WFC include coffee, tea, chocolate, sugar, and bananas. We seek Fair Trade items whenever feasible.

Genetically Engineered (GE) or Genetically Modified Foods (GM): the controversial practice of splicing genes of one organism into another to give the original organism a specific new trait. There are no labeling laws regarding GM or GE foods. Rather, companies who do not use GM or GE ingredients will often mark their packaging "GMO or GE Free". Organically grown foods are, by definition, GMO free. The Non-GMO project independently verifies food that does not contain GMOs. You can find a full list at www.nongmoproject.org.

Organically Grown or Organic: Products using "organic" or "organically grown" on the label have been third-party certified to standards set by the USDA. Farmers selling less than \$5,000 per year are allowed to sign an affidavit waiving the third-party inspection, but they are still held to the same standards.

1983 | West End Co-op closes

1993 | Moved to 1332 East 4th Street

2005 | Moved to 610 East 4th Street



2006 | New location receives the **Co-op Excellence Award**, **Energy Star** rating and **LEED** sustainable building certification.

● **2007** | **Certified Organic Retailer** status achieved.

● **2010** | 40 years in business. Way to go, WFC!

ARTICLES OF INCORPORATION

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and approved by a membership vote on September 19, 2012.

ARTICLE I—Name

The name of this cooperative shall be **Whole Foods Community Co-Op, Inc.** (the “cooperative”).

ARTICLE II—Purposes

The cooperative structure offers a humane approach to creating positive change for the benefit of the individual and the common good. Under the guidance of the **Cooperative Principles**, this cooperative shall engage in a mercantile and marketing business to supply and furnish to its Members and patrons such goods and services as the Members may require or in any lawful business as the Members shall authorize. For these purposes it shall have power to:

- a) Borrow money from its Members and others upon adequate security; to issue bonds, debentures, notes and other obligations and to secure the same by pledge, mortgage, or trust deed on any property of the cooperative; draw, make, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, warrants, warehouse receipts, certificates and other obligations and negotiable or transferable instruments for any purpose deemed necessary to further the objects for which the cooperative is formed.
- b) Acquire, purchase, hold, lease, encumber, sell, exchange and convey such real estate, buildings and personal property as the business of the cooperative may require.
- c) Purchase, sell, transfer and own capital stock, bonds, and obligations of other corporations.
- d) Join with other cooperatives to form district, state, national or international purchasing, marketing and service organizations; and to purchase, acquire, and hold capital stock, notes, bonds, and other obligations of such organizations.

- e) Do and perform every act and thing necessary and proper to the conduct of its business for the accomplishment of the purposes set forth herein or permitted by the laws of Minnesota applicable to the cooperative, and to have and exercise all of the powers conferred upon the cooperative by the laws of Minnesota under which it was organized and acts amendatory thereof and supplemental thereto.

ARTICLE III—Place of Business

The principal place of business of said cooperative shall be 610 East Fourth Street in the City of Duluth, County of St. Louis, State of Minnesota. Branch offices or places of business may be located elsewhere.

ARTICLE IV—Duration

The period of the continuance of this cooperative shall be perpetual.

ARTICLE V—Capital

Section 1. The amount of authorized capital stock of the cooperative shall be eight million five hundred thousand dollars (\$8,500,000) and shall be divided into three classes of stock:

Class A stock shall consist of one hundred forty thousand (140,000) shares of voting stock with a par value of five dollars (\$5.00) per share—\$700,000.

Class B stock shall consist of five hundred sixty thousand (560,000) shares of non-voting stock with a par value of five dollars (\$5.00) per share—\$2,800,000.

Class C stock shall consist of ten thousand (10,000) shares of non-voting stock with a par value of five hundred dollars (\$500.00) per share—\$5,000,000.

Section 2. Class A stock may be issued for cash to any person to qualify him or her as a Member if he or she is eligible therefor. No dividends shall be paid on Class A stock.

Section 3. Class B stock may be issued for cash, in payment of patronage refunds or in exchange for outstanding Class A stock to any person, firm, cooperative, non-profit corporation or corporation. Class B stock shall have no voting power and no dividends shall be paid thereon.

Section 4. Class C stock may be issued to holders of Class A stock. Class C stock shall have no voting power. The Board of Directors of the cooperative may establish and authorize the issuance of one or more series of Class C stock upon such terms and conditions as the Board shall determine. Dividends may be paid on Class C stock at the discretion of the Board of Directors, not to exceed eight percent (8%) per annum. Dividends, if declared, shall not be cumulative.

Section 5. No share or stock shall be issued for less than its par value, nor until the same has been paid for in cash or its equivalent, and each share of stock shall be paid for at such time and in such manner as the Board of Directors of the cooperative shall require. Members shall be required to purchase one share of Class A stock and an amount of Class B stock as determined by the Board of Directors from time to time. The cooperative shall have a prior lien on the outstanding stock for any indebtedness due it. Stock shall not be sold or transferred except back to the cooperative with the consent and approval of the Board of Directors. Capital stock shall be subject to redemption as provided by

● **2012** | International Year of Cooperatives, The June 20 'Great Flood', Brewery Creek Overlook seating area and parking lot expanded.

● **2014** | Second location site purchased, Hillside store undergoes remodelling.

● **2016** | WFC Denfeld location opens at 4426 Grand Avenue.

ARTICLES OF INCORPORATION

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and approved by a membership vote on September 19, 2012.

law and by the Bylaws of this cooperative. The capital stock of this cooperative shall be non-assessable.

Section 6. When the Board of Directors determines that the cooperative has sufficient working capital, Class B and Class C stock may be called for payment at par. Stock shall be called for payment as provided in the Bylaws. Any redemption of stock is subject to the requirement that at the time of redemption the total amount of stock remaining outstanding after deduction of the amount of stock redeemed, plus the permanent reserve of the cooperative, shall at least equal the total liabilities of the cooperative.

Section 7. In case of dissolution or liquidation of the cooperative, there shall be given a preference to holders of Class C, then Class B, and finally Class A stock.

ARTICLE VI—Allocations to Members

Section 1. All or any part of the patronage refund declared by the cooperative at any time may be paid in Class B stock, by allocated equity reserve or by the issuance of capital interest certificates, or by any other media determined by the Board of Directors.

Section 2. All of the annual net savings from patronage with Members available for distribution as determined by the Bylaws shall belong to the Members of the cooperative and shall be allocated to them on the basis of patronage as defined in the Bylaws.

Section 3. Upon dissolution or liquidation of the cooperative, the debts and liabilities of the cooperative shall first be paid according to their respective priorities. Stockholders or other holders of equity or capital reserve credits or other media issued by the Board of Directors shall then be paid the par value of their shares or credits with payments made in the order of preference stated in the Articles of Incorporation (see Article V, Section 7). Any additional property remaining after stockholders and other equity holders have been paid shall be distributed to another cooperative doing business on a cooperative basis or a non-profit organization

exempt from taxes under Section 501(c) of the Internal Revenue Code, as shall be determined by the Board of Directors or Trustees

ARTICLE VII—Directors, Annual Meetings

Section 1. The governance of the cooperative and oversight of management shall be vested in a Board of Directors, who shall be elected by ballot by the Members from their own number. The size of the Board of Directors and the terms of the directors shall be prescribed by the Bylaws.

Section 2. The annual meeting of the Members shall be held in the territory served by this cooperative within four (4) months after the date of the close of the fiscal year, on such date and time as the Board of Directors shall select in each year.

Section 3. Vacancies in the Board of Directors, except in case of removal by the Members, may be filled by the remaining directors of the Board. The person or persons so appointed shall hold office until the next annual meeting of the Members or until successors have been elected and qualified.

Section 4. A director is not personally liable to the cooperative or its Members for monetary damages for breach of fiduciary duty except in the following circumstances:

- For a breach of the director's duty of loyalty to the cooperative or its Members;
- For acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- For a transaction from which the director derived an improper personal benefit; or
- For an act or omission occurring prior to the date this provision became effective.

Section 5. The current members* of the Board of Directors, their addresses and terms of office are as follows:

Jennifer Cummings
2092 Old North Shore Road,
Duluth, MN 55804

Chris Edwardson, Term Expires 2015
31 East Arrowhead Road,
Duluth, MN 55803

David Helf, Term Expires 2014
4602 Woodland Avenue,
Duluth, MN 55803

Heather Murphy, Term Expires 2014
2411 West Skyline Parkway,
Duluth, MN 55806

Mickey Pearson, Term Expires 2015
3231 East 4th Street,
Duluth, MN 55804

Jean Sramek, Term Expires 2015
316 Mygatt Avenue,
Duluth, MN 55803

John Westlund, Term Expires 2014
32 West 9th Street,
Duluth, MN 55806

ARTICLE VIII—Officers

The officers of this cooperative shall be a president, one or more vice presidents, a secretary and a treasurer, who shall be elected annually by and from the directors. The offices of secretary and treasurer may be combined, and when so combined, the person filling such office shall be termed "secretary-treasurer."

ARTICLE IX—Dissolution, Amendments, Severability

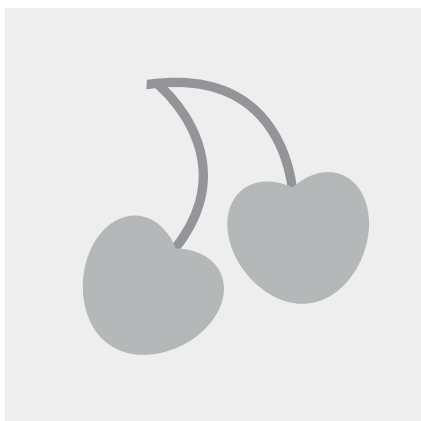
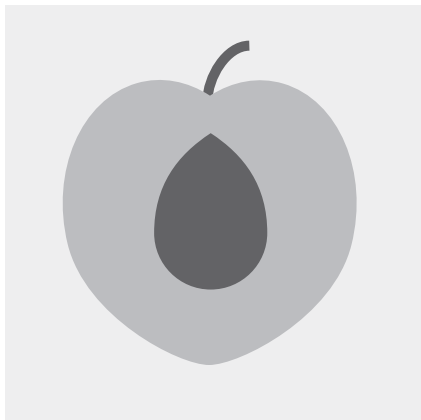
Section 1. This cooperative may be dissolved in the manner provided by law.

Section 2. These Articles of Incorporation may be amended as provided by law.

Section 3. The proper officers and employees of the cooperative are hereby authorized to take whatever action may be necessary and proper to make said amendments to the Articles of Incorporation effective.

Section 4. In the event that any provision of these Articles of Incorporation is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these Articles.





BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and restated on May 19, 2008.

ARTICLE I—Membership

Section 1. Qualifications

Section 2. Application

Section 3. Definition

Section 4. Approval

Section 5. Information

Section 6. Current Address

Section 7. Termination

Section 8. Restriction on Withdrawal and Transfer of Membership

Section 9. Donation of Interest

Section 10. Right to Appeal

ARTICLE II—Member Meetings/ Voting

Section 1. Annual Meeting

Section 2. Special Meetings

Section 3. Notices of Meetings

Section 4. Presiding Officer

Section 5. Quorum

Section 6. Order of Business

Section 7. Reports

Section 8. Voting

ARTICLE III—Board of Directors

Section 1. Number & Election of Directors

Section 2. Terms of Directors

Section 3. Vacancies

Section 4. Removal

Section 5. Board Meetings and Quorum

Section 6. Special Meetings of the Board

Section 7. Action without a Meeting

Section 8. Compensation

Section 9. Indemnification of Directors

ARTICLE IV—Duties & Powers of Directors

Section 1. Management of Business

Section 2. Employee Bonds

Section 3. Audits

Section 4. General Manager

ARTICLE V—Duties & Powers of Officers of the Board

Section 1. Election of Officers

Section 2. President

Section 3. Vice President

Section 4. Secretary

Section 5. Treasurer

Section 6. Secretary-Treasurer

ARTICLE VI—Capital Stock

Section 1. Certificates or Proof of Membership

Section 2. Non-transferability

Section 3. Refund or Repurchase by the Cooperative

Section 4. Retirement or Cancellation of Surrendered Stock

Section 5. Classes and Issue

Section 6. Order of Payment Upon Dissolution or Liquidation

Section 7. Revolving Fund

Section 8. Books and Records

ARTICLE VII—Patronage Dividends/ Reserve Funds

Section 1. Annual Net Income

Section 2. Member Patronage Income

Section 3. Education Reserve

Section 4. Capital Reserve

Section 5. Patronage Dividend Distribution

Section 6. Allocation of Losses

ARTICLE VIII—Tax Consent by Members

ARTICLE IX—Miscellaneous Provisions

Section 1. Fiscal Year

Section 2. Amendments

Section 3. Severability

BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and restated on May 19, 2008.

ARTICLE I—Membership

Section 1. Qualifications.

- a) **Natural Persons.** Any natural person aged eighteen (18) years or older may apply for and, upon compliance with the membership requirements set forth in Section 2 below, hold a membership in this cooperative on terms established by the Board. Such membership may be held jointly in the names of not more than two persons, in which the first named on the Class A stock certificate or subscription agreement shall have the right to cast the vote for that Membership, unless such right has been given in writing by the person so first named to the other person listed on that Class A stock certificate or subscription agreement.
- b) **Purchase of Stock Required.** Upon compliance with membership requirements by a natural person, the prospective Member shall purchase four (4) shares at \$5.00/each (total \$20.00) of Class A stock in the cooperative, and sixteen (16) shares at \$5.00 each/ (total \$80.00) of Class B stock on terms set by the Board. The Board shall adopt and implement a method or methods, including but not limited to such mechanisms as scholarships, sponsorships, and matching funds, to encourage the participation of persons of restricted income as Members of the cooperative to the greatest extent possible.
- c) **Non-discrimination.** This cooperative shall not discriminate on social or political grounds or on the basis of race, creed, income, age, sex, handicap, sexual preference or marital status.

Section 2. Application.

Application for membership shall be made in writing on a subscription agreement form approved by the Board. The subscription agreement shall state that the applicant subscribes to and agrees to comply with the requirements of the cooperative's Articles of Incorporation and Bylaws, agrees to notify the cooperative of any change of address, and wishes to peacefully and democratically participate in the cooperative

Section 3. Definition.

Only a Class A stockholder is and may be referred to as a Member of the cooperative. Only Class A stockholders have voting power, and each such stockholder is entitled to only one vote, regardless of the number of shares owned.

Section 4. Approval.

Each application for membership shall be acted on by the Board within sixty (60) days after the cooperative's receipt of the application. The Board shall have full authority to approve, reject or limit the benefits of a membership application based on policies established and approved by the Board.

Section 5. Information.

Each new Member shall be provided a copy of the cooperative's current Articles of Incorporation and Bylaws.

Section 6. Current Address.

Each Member agrees to provide to the cooperative his or her current address and to keep the cooperative informed of any changes in address. This obligation shall continue even after a membership has been terminated as long as the Member has any interest in the cooperative.

Section 7. Termination.

Membership may be terminated voluntarily by a Member upon notice to the cooperative. The Board may elect to terminate a membership if a Member dies or fails to comply with the requirements of these Bylaws and of the membership policies of the Board. When a membership is terminated, the cooperative shall either:

- a) Purchase the Class A stock of the Member by tendering to the Member, or his or her heir or successor, the par value or the book value, whichever is less, together with any cash portion of a patronage dividend due or unpaid, less any indebtedness due the cooperative; or
- b) Purchase the Class A stock of the Member by tendering to the Member, or his or her heir or successor, Class B stock, together with any cash portion of a patronage dividend due or unpaid, less any indebtedness due the cooperative.

Regardless of the reason for termination, repurchase of the cooperative's stock, including Class B and Class C stock, by the cooperative shall be subject to the same terms and limitations governing all stock repurchases, including availability of replacement capital and the discretion of the Board to determine terms of repurchase. In any case, the Class A stock of the Member shall be cancelled and he or she shall no longer have voting rights in the cooperative.

Section 8. Restriction on Withdrawal and Transfer of Membership.

Upon joining this cooperative, every Member agrees that, in case the Member shall desire to withdraw his or her membership in the cooperative, his or her stock can only be transferred to the cooperative and only upon approval by the Board. The stock of this cooperative is not transferable in any other event.

Section 9. Donation of Interest.

Any Member or ex-Member who fails to comply with the provisions of Section 6 above (regarding supplying current address), by failing to inform the cooperative of his or her current address, and fails to respond to general notification of extinguishment of interest published in the cooperative's newspaper or on its website, makes a donation to the cooperative of any interest the Member or ex-Member may have in the cooperative whether that interest is represented by Class A, Class B, or Class C stock or any other capital contributions or equity in the cooperative.

Section 10. Right to Appeal Termination of Membership.

Written notice shall be mailed through the United States mail or hand-delivered to any Member whose membership the Board of Directors decides to terminate pursuant to Section 9 of this Article I. If the Member objects, the Member shall, within thirty (30) days, after the written notice of termination has been given, have the right to notify the Board of Directors in writing that the Member objects to termination and request an appeal. In that case, the appeal shall be heard at the next Members' meeting by the Members present. A majority vote of the Members present to uphold the action of the Board shall terminate the membership.

BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and restated on May 19, 2008.

ARTICLE II—Member Meetings/ Voting

Section 1. Annual Meeting.

The annual meeting of Members shall be held in the territory served by this cooperative within four (4) months after the close of the cooperative's fiscal year, at such time and place as determined by the Board.

Section 2. Special Meetings.

The president of the cooperative shall call a special meeting of the Members upon either:

- a) A majority vote of the directors, or
- b) The written petition of at least twenty percent (20%) of the Members.

Notice of the meeting shall be given by the president as provided in Section 3 of this Article II below, and shall state the time, place and purpose of the special meeting. If the meeting is called pursuant to a Member petition, then the notice shall be issued within ten (10) days from receipt of the petition by the president, and the special meeting shall be held within thirty (30) days from receipt of the petition by the president. No business shall be considered at a special meeting except that mentioned in the meeting notice.

Section 3. Notices of Meetings.

The secretary of the cooperative shall give notice of all meetings of the Members:

- a) By publication in a legal newspaper published in the county of the principal place of business of the cooperative at least two (2) weeks before the date of the meeting, or
- b) By publication in a magazine, periodical or house organ regularly published by or on behalf of the cooperative and circulated generally among its Members at least two (2) weeks before the date of the meeting, or
- c) By mailing notice thereof to each Member at such Member's last known address, not less than fifteen (15) days before the date of the meeting. The secretary shall document compliance with this provision by preparing a copy of the notice given to Members with proof of mailing or publication attached.

The failure of any Member to receive any such notice shall not invalidate any action that may be taken by the Members at such regular or special meeting.

Section 4. Presiding Officer.

The president of the cooperative, or his or her designee, shall preside at all meetings of the Members and the Board.

Section 5. Quorum.

At any meeting of the Members, a quorum necessary for the transaction of business shall be:

- a) Ten percent (10%) of the total number of Members in the cooperative, when the number of Members does not exceed 500; or
- b) When the cooperative has more than 500 Members, one hundred (100) Members present; or
- c) Such other number as may be and if required by law.

Only Members in actual attendance at the meeting shall count towards a quorum, except for matters submitted to the membership by mail or other means approved by the Board, in which case the ballots cast shall be counted toward fulfillment of the quorum requirement.

Section 6. Order of Business.

The order of business at the annual and, so far as practicable, at all other meetings of the Members shall be:

- a) Calling of roll or registering of Members
- b) Proof of notice of meeting
- c) Determination of a quorum and right to vote by Members
- d) Reading and approval or waiver of Minutes of last meeting
- e) Reports of officers and committees
- f) Unfinished business
- g) New business
- h) Remarks for the good and welfare of the cooperative
- i) Adjournment

Section 7. Reports.

Reports covering the cooperative's business for the previous fiscal year shall be submitted to the Members within four (4) months after the close of the fiscal year.

Section 8. Voting.

No Member shall have more than one vote, regardless of the number of shares owned. Members who jointly own shares shall vote as prescribed in Section 1(a), Article I of these Bylaws.

No Member shall be allowed to vote by proxy. Voting by mail or by other means as approved by the Board shall be allowed on all matters upon which Members are entitled to vote. The Board may prescribe a form of ballot to be used which ballot shall comply with requirements of the laws governing cooperatives. If a ballot is received on or before the due date, it shall be accepted and counted.

ARTICLE III—Board of Directors

Section 1. Number and Election of Directors.

There will be seven (7) directors of the cooperative. A director must be a Member of the cooperative. Only the first individual named on the membership application shall be eligible to be elected to the Board. The Members shall elect the directors by ballot and directors shall hold office until their successors are elected subject to any earlier resignation or removal of a director. No more than two (2) of the total number of directors shall be employees of the cooperative.

Section 2. Terms of Directors.

Directors shall be elected to staggered terms of three (3) years. If any director shall cease to be a member, his or her office shall be automatically vacated.

No director may serve more than three (3) consecutive three-year elected terms, plus any partial term served to fill a vacancy. Upon the expiration of such terms, a Member shall not be eligible for election to the Board until the next annual meeting.

BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and restated on May 19, 2008.

The transition from two-year terms shall be handled as follows:

- 1) In fall 2008, the three candidates with the highest number of votes in the 2008 election shall be elected to three-year terms.
- 2) In 2009, the four candidates with the highest number of votes shall be elected to three-year terms.
- 3) All subsequent elections will be for three-year terms.

When filling vacancies caused by resignation, the position(s) will be filled for the remainder of the original term(s). Candidates with the highest vote totals shall get three-year terms, and the candidate(s) with the next highest vote total(s) shall fill the vacated seat(s) for the remainder of the term(s).

Section 3. Vacancies.

Any vacancy in the Board may be filled by Board appointment of another Member until the next regularly scheduled Board election.

Section 4. Removal.

No more than three (3) directors of the cooperative may, for cause related to the duties of the director, at an annual or special meeting of the Members, be removed from office by a majority vote of the Members voting at any annual or special meeting called for that purpose. The Members may fill the vacancy caused by the removal of the director. A quorum of Members shall be present at any such meeting.

Failure of a director to attend two (2) consecutive Board meetings or one-third of the Board meetings during a year, except for cause as determined by a majority vote of the remainder of the Board, shall result in automatic removal from office.

No director shall be removed from office at either an annual or special meeting unless he or she has been informed of the meeting at which the matter is to be considered at least ten (10) days before such meeting. Such notice shall be by certified mail addressed to him or her at his or her last known address, and he or she shall be entitled to be heard at such meeting.

Section 5. Board Meetings & Quorum.

Regular meetings of the Board shall be held at such time and place as the Board shall from time to time determine. A majority of the directors shall constitute a quorum at all meetings of the Board, and a majority vote of the members present shall decide all questions. Board meetings may be held by telephone conference call, if so approved by all directors, providing all persons participating can hear each other at the same time. The Board shall have at least ten (10) regular meetings during each fiscal year.

Section 6. Special Meetings of the Board.

Special meetings of the Board may be called by the president or by a majority of the Board. Each member of the Board shall be duly notified of all such meetings.

Section 7. Action without a Meeting

Decisions of the Board may be made without a meeting if a consent in writing, stating the action to be taken, is signed by all directors or transmitted electronically by each director and filed with the Minutes.

Section 8. Compensation.

Compensation for directors shall be determined by resolution of the Board. Compensation and/or expense reimbursement to directors shall not constitute payments to them as employees.

Section 9. Indemnification of Directors.

To the fullest extent of a director's right to indemnification under Minnesota law, the cooperative shall indemnify each person who is serving or who has served at the request of this cooperative as a director or officer, including his or her heirs, executors or administrators, against: expenses, including but not limited to reasonable attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by such director or officer in connection with any suit, action or process arising out of, resulting from or connected to such office or directorship, and whether or not such suit, action or process arises out of the conduct of such director or officer.

ARTICLE IV—Duties & Powers of The Board

Section 1. Management of Business.

The Board shall govern the business and affairs of the cooperative and make all necessary rules and regulations not inconsistent with law or with these Bylaws. The Board shall have the power to employ and dismiss a general manager, and/or a managing agent and to determine their duties and fix their compensation.

Section 2. Employee Bonds.

The Board may require the general manager, chief executive officer, and/or all other officials, agents and employees charged by the cooperative or its managing agent with responsibility for the custody of any of its funds or property to provide a fidelity bond in such sum as the Board shall determine. Such bond shall be furnished by a responsible bonding company or other surety satisfactory to the directors, and cost therefor shall be paid by the cooperative.

Section 3. Audits.

The Board shall examine all financial statements prepared for the cooperative at their regular meetings at least four (4) times a year. In addition, they may have the books audited or reviewed at least once a year by a certified public accountant. Such audit or review shall preferably be made between the date of the close of the fiscal year and the date of the annual meeting. Annually, a report of audit or review findings, containing at least a balance sheet showing the financial condition of the cooperative at the close of the fiscal year and a summarized statement of income and expenses for the year, shall be submitted to the members at their annual meeting or, if not available at the annual meeting, mailed to the members.

Section 4. General Manager.

The Board shall employ and supervise the general manager of the cooperative. The general manager shall have general charge of the ordinary and usual business operations of the cooperative subject to the direction and approval of the Board. The general manager shall be required to maintain all business records and accounts in such a manner that the accurate condi-



BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and restated on May 19, 2008.

tion of the business may be determined whenever practical. He or she shall provide annual and periodic reports in a form and manner prescribed by the Board. The general manager shall employ and discharge employees subject to direction and guidelines approved by the Board. The general manager shall, in the manner and form prescribed by the Board, handle and account for all monies belonging to the cooperative that come into his or her possession.

ARTICLE V—Duties & Powers of Officers of the Board

Section 1. Election of Officers.

The Board shall meet within thirty (30) days after the annual election of directors by the Members and shall elect by and from their number a president, one or more vice presidents, a secretary, and a treasurer. The offices of secretary and treasurer may be combined and, when so combined, shall be termed the secretary-treasurer. Officers shall hold office until their successors shall have been elected and qualified.

Any officer may be removed from an office by the Board by a simple majority vote of the entire Board whenever in the judgment of the other directors such a removal is in the best interest of the cooperative. Such a removal from office shall not be a removal from the position of director.

Section 2. President.

The president shall:

- a) Preside over all meetings of the Members and of the Board or shall designate another member of the Board to so preside.
- b) Sign as president, with the secretary, all notes, deeds and conveyances of real estate, contracts and, as applicable, certificates of stock of the cooperative.

Section 3. Vice President.

In the absence or disability of the president, the vice-president shall perform the president's duties.

Section 4. Secretary.

The secretary shall:

- a) Ensure that a complete record of the meetings of the cooperative and of the Board is kept.

- b) Sign as secretary, with the president, all notes, deeds and other conveyances of real estate and, as applicable, all certificates of stock of the cooperative.
- c) Ensure that a complete and detailed report of the most recently ended fiscal year is prepared and submitted to the members by mail and/or at the annual meeting; the report shall contain a statement of assets and liabilities, a statement of income and expenses, and such other statements and statistical memoranda as the Board shall require.
- d) Serve or cause to be served and attest to all notices required by law.
- e) Perform such other duties as may be required by the cooperative or its Board.

Section 5. Treasurer.

The treasurer shall:

- a) Oversee the receipt and disbursement of all funds of the cooperative.
- b) Ensure that complete records of all financial transactions of the cooperative are kept and perform such other duties pertaining to this office as may be required by the Board.
- c) The Board may delegate the duties enumerated in this section to an agent or employee of the cooperative provided, however, that the treasurer shall retain the responsibility to review and supervise the execution of such duties by such agent or employee on a regular basis.

Section 6. Secretary-Treasurer.

If the offices of the secretary and treasurer are combined, the duties shall be a combination of the duties of both such officers. The office shall be known as secretary-treasurer.

ARTICLE VI—Capital Stock

Section 1. Certificates or Proof of Membership.

Membership cards shall be issued, in lieu of certificates for Class A stock, when the initial required stock is fully paid for and the membership application has been approved and for payment of all required

Class B equity stock. Class B stock received as patronage dividends shall be evidenced by written notice of allocation mailed to the Members. Purchase of Class C stock shall be evidenced by written notice of allocation mailed to the Member. The cooperative retains the right to terminate all memberships as provided in the Bylaws and to purchase or recall all stock. Redemption of capital stock by the cooperative is subject to any indebtedness owing the cooperative by the stockholder.

Section 2. Non-transferability.

Shares of stock shall be transferable only to the cooperative with the consent and approval of the Board. Shares of stock may not be transferred in any other manner.

Section 3. Refund or Repurchase by the Cooperative.

The cooperative shall repurchase all shares of stock of terminating Members, whether for cause or for voluntary or involuntary reasons, on the condition that the cooperative has received replacement capital from new or continuing Members. The Board may establish additional conditions and terms for repurchase of Members' shares of stock, provided such conditions and terms apply to all Members.

Section 4. Retirement or Cancellation of Surrendered Stock.

Any stock required to be surrendered back to the cooperative according to Section 7, Article I of these Bylaws shall be retired and cancelled by the Board. Any other stock acquired by the Board from a stockholder of any class may be held as treasury stock or may be retired and cancelled.

Section 5. Classes and Issue.

Whenever the cooperative determines that all of its funds are not necessary for the proper financing of the operations of the cooperative, the Board may choose to retire Class B or Class C stock, liquidate equity or capital reserves or any other media previously issued.

BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and restated on May 19, 2008.

Section 6. Order of Payment Upon Dissolution or Liquidation.

Upon dissolution or liquidation of the cooperative, the debts and liabilities of the association shall first be paid according to their respective priorities. Stockholders or other holders of equity, capital reserve credits, or other media issued by the Board shall then be paid the par value of their shares or credits with payment made in the order of preference stated in the Articles of Incorporation. Any additional property remaining after stockholders and other equity holders have been paid shall be distributed to another cooperative doing business on a cooperative basis or to a non-profit organization under Section 501c of the Internal Revenue Code, as shall be determined by the Board.

Section 7. Revolving Fund.

Funds and credits arising from the issuance of stock or other media may be used for creating a revolving fund for the purpose of building working capital, revolving such capital, and investing in other cooperatives as the Board may from time to time deem necessary.

If the Board determines that some of its funds from whatever sources are not necessary for the proper financing of the operations of the cooperative, it shall first redeem Class B stock that was tendered for Class A stock and then Class B stock which represents an ex-Member's initial capital contribution to the cooperative. This is done provided that the ex-Member has requested the redemption of this stock. If additional funds remain available to redeem equity after all requests to redeem Class B stock representing the capital contributions of ex-Members have been honored, then the Board may redeem other Class B stock, Class C stock, and other capital interest media. The timing and method of all redemptions shall be at the Board's sole discretion and shall be fair and equitable.

Section 8. Books and Records.

The books and records of the cooperative shall be kept on a fiscal year basis, and in such a manner that the interests of Members and ex-Members may be determined at any time.

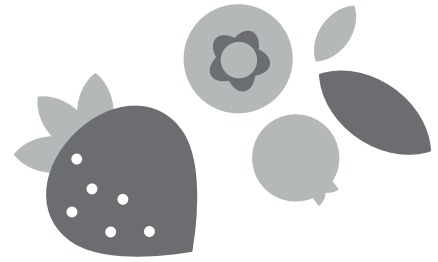
ARTICLE VII—Patronage Dividends/ Reserve Funds

Section 1. Annual Net Income.

- a) **Gross Receipts.** Gross receipts shall be all proceeds from the sale of goods and services to Members and non-Members and all other sums received (including patronage dividends and all non-patronage income).
- b) **Deductions from Gross Receipts.** The cooperative shall deduct from "gross receipts" all expenses incurred in generating the "gross receipts" including, but not limited to, marketing expense, costs of goods or services sold, taxes, depreciation, reserves for doubtful accounts, and all other necessary expenses.
- c) **Total Annual Net Income.** The amount remaining after reducing the "gross receipts" by the deductions contained in Section 1 b) of this Article VII shall constitute the total annual net income (net earnings) of the cooperative.

Section 2. Member Patronage Income.

- a) **Member Patronage.** Total annual net income shall be separated into:
 - 1) Annual net income from Member patronage and patronage dividends and
 - 2) Annual net income from non-Member patronage and non-patronage sources.
- b) Annual net income from Member patronage shall be determined by:
 - 1) Taking the percentage of gross receipts attributable to business done with or for Members (including patronage dividends, etc.) and
 - 2) Multiplying that percentage by total annual net income. The amount resulting shall be annual net income from Member patronage, which shall be distributed to the Members of this cooperative in proportion to the amount of business done by them with the cooperative over the last year, subject only to the deductions and exceptions provided in Section 4 of this article.



- c) **Non-Member Patronage and Non-Patronage Income.** The difference between total annual net income and net income from Member patronage shall be annual net income from non-Member patronage and non-patronage sources.

Section 3. Education Reserve.

The Board may set aside a sum from the annual net income from non-Member patronage and non-patronage sources as an education fund to promote and encourage cooperatives.

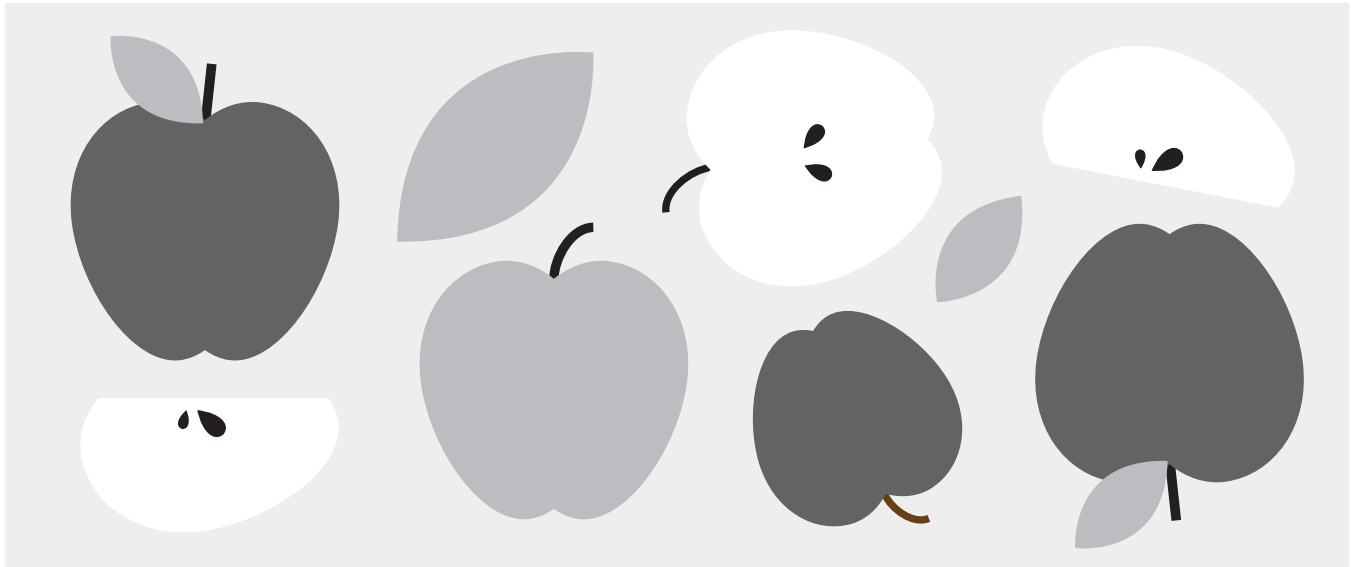
Section 4. Capital Reserve.

- a) The Board shall annually set aside the annual net income from non-Member patronage and non-patronage sources, less any deductions for the education reserve, as a capital reserve.
- b) In addition, the Board may also place into the capital reserve fund:
 - 1) All annual net income from Member patronage attributable to Members who have not provided current addresses to the cooperative;
 - 2) All annual net income from Member patronage attributable to Members that results in a distribution of less than the minimum amount of Five Dollars (\$5.00) to any Member.
 - 3) These amounts so set aside shall not be allocated to the Members of the cooperative and shall be kept in the general reserve fund.
- c) Amounts which have been placed in any reserve and which have been allocated to a specific Member prior to the effective date of this Article shall remain so allocated on the books of the cooperative unless and until retired or disbursed.

BY-LAWS

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and restated on May 19, 2008.



- d) The Board may, by resolution duly adopted prior to the beginning of the fiscal year, set aside up to fifty percent (50%) of the total annual net income or other reasonable amount as a capital reserve.

Section 5. Patronage Dividend Distribution.

- a) The annual net income from Member patronage, less any deductions or exceptions as determined by Section 4 of this Article, shall be distributed annually to the Member-patrons of the cooperative and said Member-patrons shall be notified thereof.
- b) Patronage dividends shall be distributed in cash or in equity (usually Class B stock) or by any combination thereof designated by the Board. Equity distributions (Class B stock) may be paid or redeemed in whole or in part at such time, in such manner and in such order as shall be determined by the Board in its sole discretion. No transfer or assignment of such retained patronage equity (Class B stock) shall be allowed without the approval of the Board.

Section 6. Allocation of Losses.

If this cooperative has sustained an annual net loss in net income from Member-patron business, the Board shall have the power and authority to allocate such losses in the following manner:

- a) To the Member-patrons in such year on a patronage basis and apply such losses against the retained patronage equity of said Member-patrons, or
- b) To carry forward or to carry back such loss.

ARTICLE VIII—Tax Consent by Members

Each Member of this cooperative shall, by becoming a Member, consent that the amount of any distribution with respect to his or her patronage occurring in any fiscal year which are made by qualified written notices of allocation (as defined in 26 U.S.C. 1388) received by him or her from the cooperative shall be included in his or her income in the manner provided in 26 U.S.C. 1385 during the taxable year in which the qualified written notices of allocation are received. It is the intent of this provision to provide a consent binding on all Members who retain or obtain membership in this cooperative and who receive a written notification and copy of this Bylaw, for the purpose of making such distributions “qualified” within the meaning of the Internal Revenue Code.

ARTICLE IX—Miscellaneous Provisions

Section 1. Fiscal Year.

The fiscal year of this cooperative shall begin on the first day of July and close on the last day of June of each year.

Section 2. Amendments.

These Bylaws may be amended, repealed or altered, in whole or in part, by a majority vote of a quorum (Article II, Section 5) of the Members provided that all Members are notified by mail of the proposed changes to the Bylaws.

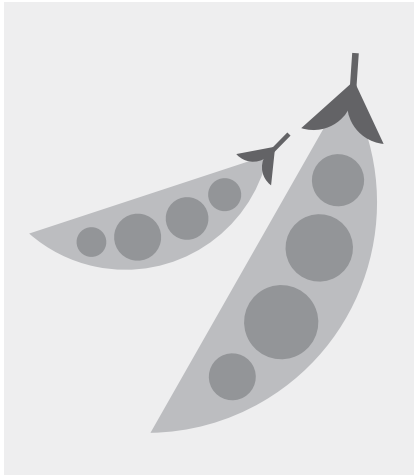
Section 3. Severability.

In the event that any provision of these Bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these Bylaws.



OWNER POLICIES

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA



OWNER HOUSEHOLD POLICY

(As amended and approved by the Board of Directors on 09/24/2012. Technical edit effective 04/01/2014, pursuant to change in Owner Credit Policy.)

As a benefit of membership, a WFC Owner (first person listed on the subscription agreement) may choose to list additional members of his/her household on his/her account.

To clarify what individuals may be listed on an Owner's account:

- 1) "Household" is a single residential address where the Owner resides and
- 2) Up to three (3) individuals (no age limit) in the Owner's household may be listed on an Owner's account.
- 3) Only the Owner is authorized to add or delete individuals on his/her household account.

Benefits available to additional individuals on an Owner's account include:

- 1) Owner discount on special orders.
- 2) Owner-specific coupons and Owner-only specials.
- 3) Owner cost to attend WFC public classes.

Rights and responsibilities of an Owner include:

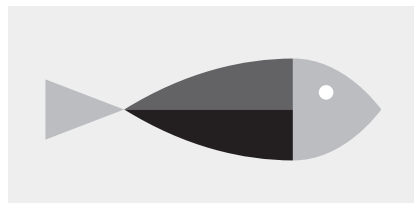
- 1) Only the Owner has a vote in Board elections and on other matters presented for a vote by Owners (Cooperative Principle #2: One Member, One Vote).

2) Only the Owner owns the stock/equity. Stock may be transferred only to WFC and is not transferable to any other entity or individual. By submitting a correctly completed Termination Form and subject to Board approval, an Owner may:

- a) Request donation of his/her stock to the Fran Skinner Memorial Matching Fund or
- b) Request transfer of his/her stock to another person/transferee; the transferee must submit a signed Subscription Agreement before the transfer is valid or
- c) Request refund of his/her stock.
- d) In the event of an Owner's death and upon submission of a copy of the death certificate or other legal documentation, the Board may approve refund of that Owner's equity to his/her estate.

3) Any patronage rebate will be issued only to the Owner.

4) An Owner is responsible for the amount of any check bounced at WFC by a person authorized by that Owner to use his/her household account.



IOU AND OTHER CREDIT POLICIES FOR OWNERS

(As amended by the Board of Directors in August 2013 to be effective on 04/01/2014)

Purpose: To protect the financial integrity of WFC.

IOUs

Owner owned-businesses and non-profit agencies may establish an in-store charge account with limits and terms to be established, monitored and/or terminated by WFC's Finance Manager. There is no IOU benefit for individual Owners.

Bounced Checks

If WFC is not reimbursed within sixty (60) days from the date of a check bounced by an Owner or by any person listed as a Household Member on an Owner's account for the amount of that check plus the amount of any administrative fee, that ownership may be terminated by the Board and any remaining stock, after reimbursement for all indebtedness owed to WFC, will convert to non-voting Class B stock.

If an individual listed as a household member on an Owner's account bounces a check at WFC, the Owner will be apprised in writing.

Special Orders

Special orders not picked up or paid for within two (2) weeks (48 hours for perishable items) of the time items are received at WFC will be put out for sale or disposed of at management discretion. Future special orders from owners who have not previously promptly paid for and/or picked up special orders, at management discretion, may require prepayment.

Newsletter Ads

Owners may charge the cost of advertising their business in WFC's newsletter. Owners will be mailed an invoice within ten (10) days of the date of publication for the amount of the advertising charge. If WFC is not reimbursed by an Owner within sixty (60) days from the date of an overdue newsletter ad for the amount of that charge, that person's ownership may be terminated by the Board and any remaining stock, after reimbursement for all indebtedness owed to WFC, will be converted to non-voting Class B stock.

Note: Owners with credit problems in excess of sixty (60) days may be placed on inactive status by management pending Board action. Purchases by inactive owners will not be recorded and will not count toward eligibility for a patronage rebate. Purchases by inactive owners are not eligible for owner discounts or owner specials.

Owners inactivated or terminated due to credit problems will be eligible for reactivation subject to Board discretion with respect to access to credit benefits.

PRODUCT PURCHASING GUIDELINES

OF WHOLE FOODS COMMUNITY CO-OP, INC. DULUTH, MINNESOTA

As amended and accepted by the Board of Directors on June 27, 2016 to replace Food Policies.

FOOD PURCHASING GUIDELINES

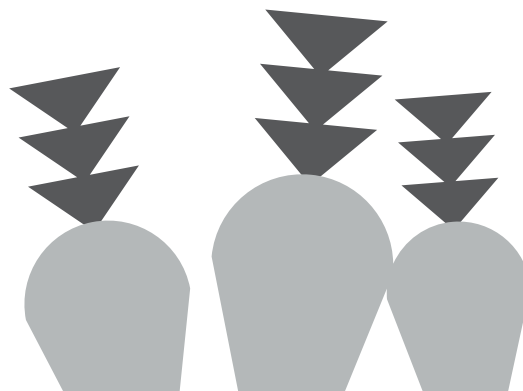
WFC offers consumers a variety of products and informations that promote social, economic and environmental health. We act as a buying agent for our Owners and shoppers, not as a selling agent for our vendors.

At WFC inventory departments are presented with a wide range of products and must determine what products are to be offered in our stores. These product guidelines reflect our ENDS Statement, assist us in making buying decisions and inform consumers about what they can expect from our products. The following list is not prioritized.

• WFC PURCHASING PREFERENCES •

We give preference to products that are:

- Certified organic
- Produced within this bioregion
- Produced within the State of Minnesota or within the State of Wisconsin = LOCAL
- Produced utilizing practices that support sustainable agriculture
- Fair Trade certified
- Produced in a safe work environment where employees are paid a fair wage
- Free of genetically modified organisms (GMOs)
- Free of artificial flavors, artificial colors, artificial preservatives or artificial sweeteners
- Free of high fructose corn syrup or hydrogenated oils
- Free of growth hormones or antibiotics
- Raised using sound animal husbandry and humane practices
- Produced without animal testing
- Produced or distributed by cooperatively-owned vendors
- Packaged minimally and/or packaged with materials that are manufactured and that may be disposed of in an environmentally sound manner.
- Meet the needs of people on specialty diets, e.g., dairy-free, gluten-free, vegan, etc.
- Available for purchase through the WIC program
- Priced competitively and offer consumers value for their money
- Desired by Owners and customers



There may be products that are discontinued due to low sales or supply issues even though those products meet some or all of these guidelines.

WFC's preference is to educate shoppers and allow them to make their own decisions. We will provide information about food issues in a useful and timely manner.

Management may amend these guidelines at any time. Management will report to the Board of Directors annually (beginning in July 2017) on these guidelines with reference to the following metrics:

- Total bioregion purchases direct from vendors / total number of vendors and total dollars
- Total bioregion promotional activity / number of vendors promoted and type of promotion (e.g., in-store promotion, newsletter article, advertising, demo)
- Total Minnesota and Wisconsin purchases direct from vendors / total number of vendors and total dollars