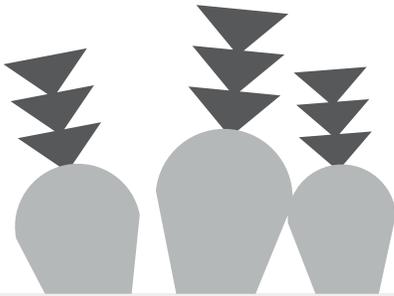


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## WHAT IS A CO-OP?

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**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.**




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### • COOPERATIVE PRINCIPLES •

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- 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.

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### • WHOLE FOODS CO-OP OWNER BENEFITS •

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- ▶ **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 much 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](http://www.wholefoods.coop)

218.728.0884

OPEN DAILY • 7 AM – 9 PM



**Sarah Hannigan**  
General Manager  
PHONE 218.728.0884 | ext. 101  
[shannigan@wholefoods.coop](mailto:shannigan@wholefoods.coop)

To submit a comment or request a product, visit [wholefood.coop/comment](http://wholefood.coop/comment)

To contact the Board of Directors, email [wfcbod@wholefoods.coop](mailto:wfcbod@wholefoods.coop)

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.



Connect with us on social media @WholeFoodsCo-op

## 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'd like to speak to the Board on any topic, you are welcome to participate in the Owner Listening Sessions at the beginning of each Board Meeting. 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 at 5:30 PM on the 4th Monday of every month, 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:

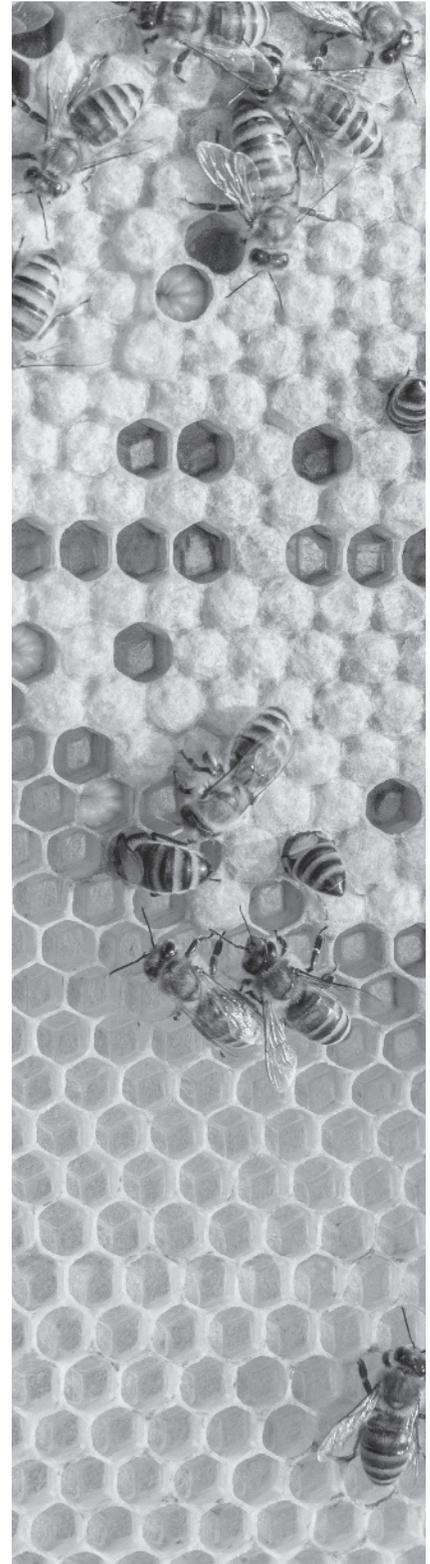
- **If you move, let us know.**  
This is a requirement to keep your ownership in good standing.
- **If you have a change in your telephone number, let us know.**
- **If your name changes, let us know.**
- **If you want others in your household\* to have access to your ownership privileges, let us know.**

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 on a quarterly basis.

\*See page 19 for Owner Household Policy



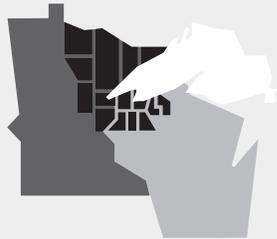
**1970** | 20 members form the **Whole Foods Buying Club** in the **Chester Creek House** at 13th Avenue East & 2nd Street.

**1971** | First Coordinator hired

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

## 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.



### LOCAL = MN / WI

Additionally, we give purchasing preference to LOCAL producers and growers from the Lake Superior Bioregion.



#### 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!*



#### 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 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](http://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** | Hillside store receives the **Co-op Excellence Award**, **Energy Star** rating and **LEED** sustainable building certification.

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

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

## 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 organ-

izations; 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

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

2016 | WFC Denfeld location opens at 4426 Grand Avenue.

2017 | Denfeld store receives LEED sustainable building certification

## 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:

- a) For a breach of the director's duty of loyalty to the cooperative or its Members;
- b) For acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c) For a transaction from which the director derived an improper personal benefit; or
- d) 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, Term Expires 2015

Chris Edwardson, Term Expires 2015

David Helf, Term Expires 2014

Heather Murphy, Term Expires 2014

Mickey Pearson, Term Expires 2015

Jean Sramek, Term Expires 2015

John Westlund, Term Expires 2014

#### 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 October 15, 2018.

#### ARTICLE I: ORGANIZATION

**1.1 Name:** The name of the organization shall be Whole Foods Community Co-op, Inc. (the "Cooperative").

**1.2** The Cooperative shall be owned by its members (referred to as "owners" in these Bylaws as further defined below in Section 2.3) and shall operate in accord with purpose set out in Article II of the Articles of Incorporation for the mutual benefit of its owners.

#### ARTICLE II: OWNERSHIP

**2.1 Eligibility:** Ownership in the Cooperative shall be open to any individual over the age of eighteen who is in accord with the Cooperative's purposes and is willing to accept the responsibilities of ownership.

**2.2 Nondiscrimination.** Ownership shall be open without regard to any characteristic that does not directly pertain to a person's eligibility.

**2.3 Admission.** Any eligible person may be admitted to ownership upon submitting an application and investing equity in an amount and on such terms as determined by the Board of Directors ("the Board"). The Board shall review applications for membership. Upon the Board's approval of an application, and the payment of the applicable equity investment in the capital stock of the Cooperative, the applicant shall be an owner of the Cooperative. The owner identified in the application as the "primary owner" of such membership may identify up to three additional persons as household owners (each an "owner" and collectively "owners"). 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 owners of the Cooperative to the greatest extent possible. Each owner shall have access to the Cooperative's Articles of Incorporation and Bylaws.

**2.4 Rights.** Owners have the right to elect the Cooperative's Board, to attend meetings of the Board, to receive notice of and attend ownership meetings, to petition as described in these bylaws, and to approve amendments to these bylaws. Each primary owner shall have one vote and no more on all matters submitted to owners. The rights of owners shall apply only to active owners in good standing. All rights and responsibilities of owners are subject to applicable state law, the bylaws as they may be amended from time to time, and to policies and decisions of the Cooperative or the Board.

**2.5 Responsibilities.** Owners shall keep current in equity investments due to the Cooperative, shall keep the Cooperative informed of any changes in name or current address, and shall abide by these bylaws and the policies and decisions of the Cooperative or the Board. An owner who upholds these responsibilities is considered an active owner in good standing.

**2.6 Termination of Ownership.** An owner may terminate his or her ownership voluntarily at any time by written notice to the Cooperative. An owner's membership shall terminate automatically if an owner dies; in the event an owner who dies is a member of a household, the membership shall transfer to the next named member of such household as indicated on the owner application. Ownership may be terminated involuntarily by the Board for cause after the owner is provided fair notice of the reasons for proposed termination and has an opportunity to respond in person or in writing. Cause may include intentional or repeated violation of any provision of the Cooperative's bylaws or policies, actions that will impede the Cooperative from accomplishing its purposes, actions or threats that adversely affect the interests of the Cooperative or its owners, willful obstruction of any lawful purpose or activity of the Cooperative, breach of any contract with the Cooperative, or failure to patronize the business for more than 3 years.

**2.7 Return of Equity.** Equity may be

returned upon termination of ownership in the Cooperative, under terms determined by the Board, provided that the Board has determined that the equity is no longer needed by the Cooperative.

**2.8 Unclaimed Equity.** If an owner voluntarily or involuntarily terminates ownership in the Cooperative, and fails to inform the Cooperative of such owner's mailing address, then the equity and patronage dividend amount allocated to that owner will be forfeited to the Cooperative. The right of an owner to unclaimed equity held by the Cooperative is extinguished when the Cooperative disburses the equity to a tax-exempt organization if: (i) the Cooperative mails notice that payment is available to the last known address of the owner shown on the records of the Cooperative; or (ii) if the address is unknown, the Cooperative publishes notice in its official publication.

**2.9 Non-transferability.** Ownership rights and owner equity may not be transferred in any manner other than as permitted under Section 2.6 above, unless approved by the Board.

#### ARTICLE III: OWNER MEETINGS AND DECISION MAKING

**3.1 Annual Meeting.** The annual meeting of owners shall be held within four (4) months after the close of the Cooperative's fiscal year, at such time and place as determined by the Board. The purpose of such meetings shall be to hear reports on governance, operations and finances, to review issues that vitally affect the Cooperative, and to transact such other business as may properly come before the meeting.

**3.2 Special Meetings.** The Board may call special meetings of the ownership. The Board shall call a special meeting if presented with a written petition stating a proper purpose and signed by 20% of active owners. Notice of special meetings shall be issued to owners. In the case of a petition, notice of the special meeting will

## BY-LAWS

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

As amended and restated on October 15, 2018.

be issued within ten (10) days after a presentation of the petition to the Board. No business shall be conducted at that special meeting except that specified in the notice of meeting.

**3.3 Notice of meetings.** The secretary shall provide owners notice of the date, time, place, and purpose of each meeting of the owners by publication in a magazine or newsletter regularly published by or on behalf of the Cooperative and circulated generally among its owners at least two (2) weeks before the date of the meeting, or by mailing (by U.S. mail) to each owner at such owner's last known address not less than fifteen (15) days prior to the date of the meeting. After mailing special or regular owner meeting notices, the secretary shall execute a certificate containing a correct copy of the mailed or published notice, the date of the notice, and a statement that the notice was mailed or published in accordance with Minnesota law. This notice shall be made a part of the record of the owner meeting.

**3.4 Voting.** The Board may authorize voting by mail and/or by electronic means on all matters on which the owners are entitled to vote. The secretary shall provide owners with notice of the vote by publication in a magazine or newsletter regularly published by or on behalf of the Cooperative and circulated generally among its owners at least two (2) weeks before the end of the voting period, or by mailing (by U.S. Mail) to each owner at such owner's last known address, not less than fifteen (15) days prior to the end of the voting period. Each primary owner shall have no more than one vote, regardless of number of shares owned. No owner shall be allowed to vote by proxy. Voting by mail or other means as approved by the Board shall be allowed upon all matters on which owners are entitled to vote. Unless otherwise stated in the articles of incorporation, or these bylaws, or required by law, all questions shall be decided by a vote of a majority of the owners voting thereon.

**3.5 Quorum.** At any meeting of the owners, or for any vote of the owners, a quorum necessary for decision-making shall be 10% of the total number of owners or 100 owners, whichever is less.

**3.6. Presiding Officer.** The President of the Cooperative, or his or her designee, shall preside at all meetings of the owners and the Board.

**3.7 Order of Business.** The order of business at the annual and, so far as practicable, at all other meetings of the owners shall be

- (a) Proof of Notice of Meeting
- (b) Determination of a quorum and right to vote by owners
- (c) Reading and approval or waiver of minutes of last meeting
- (d) Reports of officers and committees
- (e) Unfinished business
- (f) New business
- (g) Remarks for the good and welfare of the Cooperative
- (h) Adjournment.

**3.8 Annual Report.** A report covering the Cooperative's business for the previous fiscal year shall be submitted to the owners within (4) months after the close of the fiscal year.

#### ARTICLE IV: BOARD OF DIRECTORS

**4.1 Powers and Duties.** The Board shall be composed of nine Directors. Except for matters for which owner voting is required, the Board shall have full power to govern the Cooperative, including, but not limited to, hiring management, establishing compensation, if any, for the Board, and assuring that the mission of the Cooperative is articulated and carried out.

**4.2 Eligibility.** To be eligible to serve as a Director, a person must be a primary owner of the Cooperative in good standing. A

person with a conflict of interest with the Cooperative or other factor that is determined to by the Board or its Candidate Eligibility Committee to be so continuing and pervasive that such person would be unable to effectively fulfill the responsibilities of a director with the Cooperative shall not be qualified to run or serve as a director. No more than two (2) of the total number of directors serving at any given time shall be employees of the Cooperative, or shall have been an employee of the Cooperative during the past 12-month period immediately preceding the then current submission deadline for Board candidate applications. In the event any Director chooses to become an employee of the Cooperative during such Director's term, then such Director must resign from the Board.

**4.3 Terms and Elections.** Directors shall be elected annually to terms of three (3) years, in a manner prescribed by the Board. Directors shall serve staggered terms, such that approximately one-third of the directors shall be elected each year. If any director shall cease to be an owner, 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, an owner shall not be eligible for election to the Board until the next annual meeting.

**4.4 Removal.** A Director may be removed by decision of 2/3 of the remaining Directors for conduct contrary to the Cooperative or failure to follow Board policies. A Director may be removed by decision of the owners in accordance with the petition and voting provisions of these bylaws, in which case the owners may elect a Director to fill such vacancy until the next annual meeting of the owners; the 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).

## BY-LAWS

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

As amended and restated on October 15, 2018.

**4.5 Vacancies.** The Board, in its reasonable discretion, may fill any vacancy in the Board, to serve on the Board until the next annual meeting of the owners, except in the event the vacancy is due to removal of a Director by the owners, in which case the owners may fill such vacancy as described above in Section 4.4.

**4.6 Meetings.** The Board shall hold regular and special meetings at such time and place as it shall determine, and all Directors shall be notified in writing of said meeting at least five (5) days in advance, unless the Board agrees to a shorter notice. The Board will provide reasonable notice of all board meetings to owners. Attendance at any meeting constitutes waiver of notice of that meeting. Meetings shall be open to all owners unless the Board decides to go into executive session regarding confidential or proprietary matters such as: labor relations or personnel issues; negotiation of a contract; discussion of strategic goals or business plans, the disclosure of which would adversely impact the Cooperative's position in the marketplace; and/or discussion of a matter that may, by law or contract, be considered confidential.

**4.7 Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board may be taken by written action affirmed by all of the Directors or transmitted electronically by each director and filed with the Minutes. The action is effective when affirmed by all of the Directors, unless a different effective time is provided in the action.

**4.8 Quorum.** A majority of the current Directors shall constitute a quorum and no decisions shall be made without a quorum.

**4.9 Conflicts of Interest.** Directors shall be under an obligation to disclose their actual or potential conflicts of interest. Directors having such a conflict shall absent themselves from discussion and decision of any related matter under consideration by the Board unless otherwise determined by the Board. Directors may not do business

with the Cooperative except in the same manner as other owners generally do business with the Cooperative or under other conditions that are procedurally defined to avoid preferential treatment.

**4.10 Officers.** The Board shall meet within thirty (30) days after the annual election of directors by the owners 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. Responsibilities of the Officers shall be those set forth in the policies of the Board.

**4.11 Indemnification.** The Cooperative shall indemnify and reimburse each present, past and future Director for any claim or liability (including expenses and attorneys' fees actually and reasonably incurred in connection therewith) to which such person may become subject by reason of being a Director, to the full extent allowed by law, except to the extent the Director acted in bad faith.

**4.12 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.

#### ARTICLE V: PATRONAGE DIVIDENDS

**5.1 Allocations to owners.** The Cooperative shall allocate and distribute to owners the net profit from business done with them in such a manner as to qualify them as patronage dividends consistent with cooperative principles, applicable state and federal laws and generally accepted accounting principles. The Board shall determine when and how such allocations and distributions will be made; distributions may be issued in cash or equity (Class B Stock) or any combination thereof. In

the event the Cooperative distributes a patronage dividend for cash by check, each owner agrees that if such owner does not cash such patronage dividend check within 120 days of the date on which it was issued by the Cooperative, the Cooperative shall have the right to treat such patronage dividend amount as unclaimed equity and follow the procedures set forth Section 2.8.

**5.2 Tax Consent of owners.** By obtaining or retaining ownership in the Cooperative, each owner consents to take into account, in the manner and to the extent required by federal and state tax law, any patronage dividend received from the Cooperative.

#### ARTICLE VI: DISSOLUTION AND LIQUIDATION

**6.1 Asset Distribution.** The Cooperative may be dissolved or liquidated upon by court order or a decision of the Board and a two-thirds (2/3) vote of the owners who participate in the vote. Upon dissolution of the Cooperative, its assets shall be distributed in the following manner and order: (i) by paying or making provision for payment of all liabilities and expenses of liquidation; (ii) by redeeming any equity accounts which, if they cannot be paid in full, shall be paid on a pro rata basis; (iii) by distributing any remaining assets in a way that furthers the Cooperative's mission, as determined by the Board.

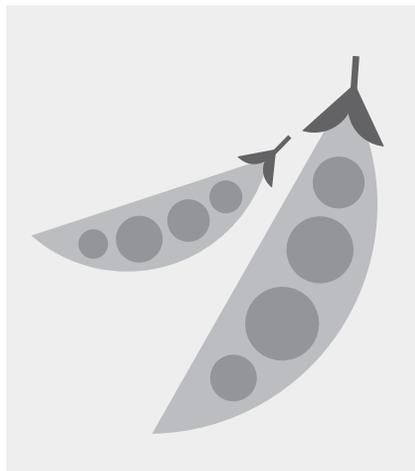
#### ARTICLE VII: BYLAWS

**7.1 Amendments.** These bylaws may be amended or repealed in whole or in part by a majority of the owners who participate in the vote. An amendment may be proposed by decision of the Board or by petition of at least twenty percent (20%) of active owners. The proposed amendment shall be publicized to the ownership not less than four (4) weeks prior to the voting process, which shall be held at a time and in a manner determined by the Board.



## 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:

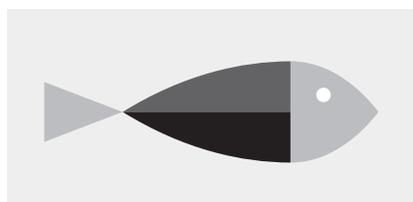
- 1) Only the Owner has a vote in Board elections and on other matters presented for a vote by Owners (Cooperative Principle #2: One Member, One Vote).

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

#### FOOD PURCHASING GUIDELINES

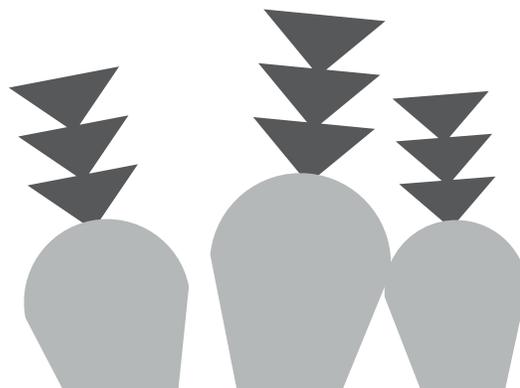
WFC offers consumers a variety of products and informations that promote social, economic and environmental health. We act as a buying agent for our Owners and shoppers, not as a selling agent for our vendors.

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