

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
November 6, 2017

A regular meeting of the Board of Directors was held at the Company's distribution center in Goodyear, Arizona on November 6, 2017.

The meeting was called to order by Vice Chair Tony Truesdale at 10:00 a.m. All directors were present in person, with the exception of Steve Hooper, who was excused. Management representatives present in person for the entire meeting were Eric Artz, Rick Bingle, Leslie Gerrard, Raquel Karls, Tim Spangler, Ben Steele, Susan Viscon, Wilma Wallace, and Tracie Winbigler. Mark Gordon, a consultant with KPMG, joined the meeting during the Total Rewards discussion.

Here is a summary of the subjects discussed and actions taken during the meeting:

Administrative:

The minutes of the regular Board meeting of August 13, 2017. The Board also approved a resolution appointing Chris Puter Chief Information Officer and Wilma Wallace General Counsel and Corporate Secretary.

President's Report:

Jerry Stritzke provided a general update on the state of the Co-op and its strong performance during the third quarter. Tracie Winbigler, CFO, provided additional financial results to supplement materials provided during a prior phone conference. Mr. Stritzke and Eric Artz, COO, discussed an increased focus on digital and experiences.

Brand and Holiday Update:

Ben Steele, Chief Creative Officer, and Susan Viscon, SVP of Merchandising, led a conversation around the upcoming holiday season, including brand assortments and the marketing campaign.

Total Rewards:

Raquel Karls, SVP of Human Resources, provided Management's recommendation for updates to the Co-op's Retirement and Profit Sharing Plan and Deferred Compensation Plan. After discussion, the Board approved the updates to the Plans.

Campus Update:

Mr. Artz provided updates on the progress on the new headquarters campus in Bellevue, and updated the Board on the plans for the Kent campus.

At 4:30 p.m., the Board went into executive session. At 4:50 p.m., the meeting was adjourned.