

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
August 2, 2015

The regular meeting of the Board was held at The Salish Lodge, in Snoqualmie, WA, in conjunction with the Board's annual planning retreat.

The meeting was called to order by Chair, Cheryl Scott at 10:05 a.m. All directors were present in person. Company officers present in person were Eric Artz, Michelle Clements, and Catherine Walker.

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

Administrative:

The minutes of the regular Board meeting of May 4, 2015, were approved as submitted.

Finance Report:

Eric Artz provided an overview of the year-to-date financial performance through July. He also provided an outlook on the rest of the year, including estimates of full year sales, operating expenses, gross margin, operating profit, and net income. He also broke down the numbers behind the new Store Inventory Fulfillment (SIF) system, through which members and customers can view and purchase products that are in individual stores and not necessarily in the co-op's distribution centers.

President's Report:

Jerry Stritzke provided a general update on the state of the co-op and the business. He highlighted the work on the Washington, D.C. flagship store and the exciting partnership with the National Parks Foundation to celebrate the National Park Service Centennial in 2016. He also congratulated the Private Brands team on the development of new products and the launch of the *evrgrn* brand.

Talent Reviews:

Mr. Stritzke and Michelle Clements, SVP of Human Resources, reported to the board on talent acquisition and development throughout the co-op. They discussed how to keep and engage existing employees, identify and nurture future leaders, and attract top talent in strategic positions.

At 1:00 p.m., the Board went into executive session. At 1:45 p.m., the meeting was adjourned and the board and management conducted their annual long-range planning sessions.