

SUMMARY OF MINUTES
Regular Meeting
of the Board of Directors
August 14, 2016

The regular meeting of the Board was held at Colorado Chautauqua, Boulder, Colorado, in conjunction with the Board's annual planning retreat.

The meeting was called to order by Chair, Cheryl Scott at 10:06 a.m. All directors were present in person. Management representatives present in person for the entire meeting were Eric Artz, Brad Brown, Leslie Garrard, Rachel Ligtenberg, Jennifer Meeker, Jed Paulson, Kathleen Peterson, Craig Rowley, Tim Spangler, Ben Steele, Rhonda Stickley, Mark Stoddard, Alex Thompson, Susan Viscon, Kate Wendt and Tracie Winbigler.

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

Administrative:

The minutes of the regular and annual Board meetings of May 2, 2016, were approved as submitted.

Finance Report:

Tracie Winbigler, CFO, provided an overview of the year-to-date financial performance for the second quarter. She 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.

Sustainable Operations:

Eric Artz, COO, reviewed a new program to identify internal savings to fund new activities and initiatives.

President's Report:

Jerry Stritzke provided a general update on the state of the co-op and the business. He discussed several retail employee benefit initiatives. Ben Steele, Chief Creative Officer, and Susan Viscon, SVP Merchandising, reviewed product and brand strategies for the rest of the year.

Distribution Center and Data Center Transformation:

Rick Bingle, VP Supply Chain, and Julie Averill, CTO, discussed the opening of the new distribution center in Goodyear, AZ, and the new data center in Las Vegas, NV. Mr. Bingle noted that the new distribution center would be the first LEED platinum, energy neutral distribution center.

Headquarters Campus:

Mr. Artz and Mr. Steele provided a review of the status of the new headquarters campus. Mr. Artz described the process of engaging employees and community leaders, while Mr. Steele led a discussion on how site selection and design are being influenced by community, people, technology, and transportation needs.

At 1:00 p.m., the Board went into executive session. At 1:40 p.m., the meeting was adjourned and the board and management conducted their annual long-range planning sessions.