



STATEMENT FROM NORTH CENTRAL CO-OP REGARDING CALGARY CO-OP

September 4, 2019

North Central Co-op's Board of Directors and Senior Leadership Team have released a statement regarding Calgary Co-op's decision to source food items from a different supplier. Please find North Central Co-op's official statement below.

Recent media reports regarding Calgary Co-op's decision to move their food wholesale supply from Federated Co-operatives Ltd (FCL) to Save-On-Foods, has generated a number of questions from our members. We can confirm that:

North Central Co-op's Board of Directors and Senior Leaders are disappointed with Calgary Co-op's decision to purchase food products from Save-On-Foods. An organization that competes directly with North Central Co-op and with co-operatives across Western Canada.

North Central Co-op remains committed to the Co-operative Retailing System and the co-operative principles upon which it was founded and operates. We are committed to working with our fellow retail co-operatives to build and strengthen the Co-operative Retailing System with FCL as our supply partner.

We can also confirm that North Central's Senior Leadership Team and FCL Management are evaluating the potential impact as result of \$400 million in sales shifting to a direct competitor. Together, both Management and Senior Leadership Teams are extremely confident that North Central Co-op will remain competitive in our food business despite Calgary Co-op's decision.

Most importantly, we'd like to stress that North Central Co-op remains committed to serving our members and the communities we serve.

As more information is available, we will provide additional updates. At this point, no additional information is available.

A handwritten signature in black ink that reads "Dean McKim".

Dean McKim, CEO
On behalf of the
Board of Directors and Senior Leadership Team
North Central Co-op Association Ltd.