

## **UNITED NATURAL FOODS, INC. CORPORATE GOVERNANCE PRINCIPLES**

The Board of Directors of United Natural Foods, Inc. (the “**Company**”) has adopted these corporate governance principles, which describe the principles and practices that the Board will follow in carrying out its responsibilities.

### **1. Role and Responsibility of the Board**

The Board directs and oversees the management of the business and affairs of the Company in a manner consistent with maximizing the long-term best interests of the Company and its stockholders. In this oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the stockholders. The Board selects and oversees the members of senior management, who are charged by the Board with the operation of the Company’s business.

Sound governance requires effective interaction among the Board, Company leadership, the external auditors, the internal auditors, and legal counsel. This interaction should occur both formally and informally throughout the year.

The major areas of the Board’s responsibility are monitoring and overseeing: the operation of the Company’s business by management; the Company’s business strategy; the Company’s management and assessment of risk; the Company’s internal control systems; and legal and ethical compliance. The Board (either as a whole or through a committee thereof) performs the following specific functions, among others:

- a. Engaging a Chief Executive Officer (“**CEO**”) to lead the Company, monitoring the performance of the CEO, and approving the CEO’s compensation;
- b. Overseeing the integrity of the financial statements and the Company’s financial reporting processes, and the adequacy of the Company’s internal controls;
- c. Reviewing and monitoring the Company’s leadership succession plan;
- d. Reviewing and approving the compensation of executive officers;
- e. Reviewing and approving significant corporate actions and advising Company leaders on significant issues;
- f. Nominating directors, appointing committee members and shaping effective corporate governance;
- g. Assessing the performance of the Board and its committees;
- h. Reviewing the Company’s long-term strategy and plans, and approving annual operating and capital expenditure budgets;
- i. Reviewing the Company’s policies and procedures relating to legal and regulatory compliance, risk assessment and risk management; and

- j. Assisting the Company's leadership in dealing with crisis situations.

In discharging their duties, directors are entitled to rely on information, opinions, reports, statements, financial statements, financial data and advice provided by other directors, board committees, legal counsel, accountants, other professional advisors, and officers and employees of the Company and its subsidiaries.

## 2. **Board Composition, Structure and Policies**

- (i) ***Independence.*** The majority of the members of the Board shall be independent directors, as defined below. This independence should be in both fact and appearance so as to promote arms-length oversight. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating and Governance Committee.
- (ii) ***Independence Standard.*** The Company defines an "independent" director in accordance with Section 303A.02 of the Listed Company Manual of the New York Stock Exchange ("NYSE") or other applicable listing standards. The NYSE independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no material relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management.
- (iii) ***Director Qualification Standards.*** The Nominating and Corporate Governance Committee is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board, subject to any obligations and procedures governing the nomination of directors to the Board that may be set forth in any stockholders agreement to which the Company is a party. It is expected that the Nominating and Corporate Governance Committee will consider:
  - (a) minimum individual qualifications, including integrity, strength of character, accountability, ability to make informed and mature judgments, financial literacy, professionalism and willingness to meaningfully contribute to the Board (including by possessing the ability to communicate persuasively and address difficult issues), independence of thought, an ability to work collegially and a willingness to establish high standards of performance, for oneself and others;
  - (b) core competencies in areas in which the nominee's knowledge and experience would contribute to the Board, including accounting and finance, business judgment, management best practices, crisis response, industry knowledge, leadership, strategy and vision;

- (c) independence under applicable SEC rules and stock exchange listing standards;
- (d) commitment to prepare for and actively participate in meetings of the Board and its committees, to provide advice and counsel to Company management, to develop a broad knowledge of the Company's business and industry and, with respect to an incumbent director, maintain the expertise that led to the director's initial selection as a nominee;
- (e) all other factors the Nominating and Governance Committee considers appropriate, which may include age, gender and ethnic and racial background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as potential competition and antitrust issues, corporate governance background, various and relevant career experience, relevant technical skills, relevant business or government acumen, financial and accounting background, executive compensation background and the size, composition and combined expertise of the existing Board.

The Board will monitor the mix of specific experience, qualifications and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure. The Nominating and Corporate Governance Committee will also review the qualifications of individuals who are nominated by stockholders in accordance with the procedures set forth in the Company's bylaws for stockholder nominations of directors.

All nominations or appointments of new directors must be approved by a majority of the independent directors.

- (iv) ***Leadership; Lead Independent Director.*** The Board presently believes that it is in the best interests of the Company for two (2) separate Board members to lead the Board. One such member shall serve as Chair of the Board and the other such member shall serve as Lead Independent Director. In the event that the Chair of the Board is not also an employee of the Company, the Board may in its discretion combine these roles if it deems it advisable and in the Company's best interests to do so.

The Lead Independent Director shall be elected annually by the independent directors on the Board and shall serve for a term of one (1) year or until a successor is appointed by the Board. The primary responsibilities of the Lead Independent Director shall be as follows:

- (1) To serve as principal liaison between the independent directors, the Chair of the Board, and, if different from the Chair, the CEO on sensitive issues, and facilitate communication between meetings;
- (2) To provide input to the Board, and the Nominating and Governance Committee, on the membership of the various committees of the Board;

- (3) To advise and assist the Chairs of the Audit Committee, Compensation Committee and Nominating and Governance Committee in fulfilling such individuals' roles and responsibilities;
  - (4) To advise the Chair of the Board as to an appropriate schedule of Board meetings, so that the independent directors can perform their duties responsibly while not interfering with ongoing corporate operations;
  - (5) To provide the Board's input into the agenda for Board meetings, and work with the Chair of the Board and, if different from the Chair, the CEO to set the agenda for each meeting;
  - (6) To advise the Board and management on the scope, quality, quantity and timeliness of the flow of information between management and the Board;
  - (7) To lead the independent directors in their role in the annual evaluation of the performance of the CEO, and overseeing the process for CEO succession;
  - (8) To consult with the Chair of the Board regarding the retention of advisors and consultants who report directly to the Board;
  - (9) To act as Chair of Board meetings when the Chair is unable to preside at regular and special meetings; and
  - (10) To call meetings of, develop the agendas for and serve as chair of the executive sessions of the Board's independent directors.
- (v) ***Change in Principal Occupation.*** When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must promptly notify the Chair of the Nominating and Governance Committee. The Nominating and Governance Committee shall then evaluate the propriety of continued service on the Board and recommend to the Board the action, if any, to be taken with respect to matters set forth in the notice.
- (vi) ***Service on Other Boards.*** Independent directors may serve on a maximum of four (4) boards of public companies, including that of the Company. The CEO and other executive officers may serve on a maximum of two (2) boards of public companies, including that of the Company. No member of the Audit Committee will serve on more than three (3) public company audit committees (including the Company's Audit Committee) unless the Board (a) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee and (b) discloses such determination either on or through the Company's website or in its annual proxy statement. In addition, directors who also serve as CEOs or in equivalent positions generally should not serve on more than two public company boards (in addition to serving, if applicable, on the board of their employer). Directors and executive officers must advise the Chair of the

Nominating and Governance Committee and the CEO in advance of accepting an invitation to serve on another corporate board, so that the Board may consider whether service on such other board could affect their independence or raise other concerns. Directors and executive officers should also advise the Chair of the Nominating and Corporate Governance Committee and the CEO before accepting other significant commitments involving affiliation with other businesses, non-profit entities or governmental units.

- (vii) ***Director Orientation and Continuing Education.*** Management, working with the Board, will provide an orientation process for new directors and coordinate ongoing director education programs. The orientation programs are designed to familiarize new directors with the Company's businesses, strategies and challenges and to assist new directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business from time to time throughout the year. The Board encourages directors to participate in external educational programs hosted by third parties as well. These programs (both internal and external) may include Board educational seminars led by legal counsel, programs conducted by universities and other educational institutions, membership in the National Association of Corporate Directors, educational programs hosted by external auditors, participation in Company tabletop shows, industry Expos, and other tradeshow and conferences, and other programs and activities developed, presented or made available to directors, either by the Company or third parties, from time to time.
- (viii) ***Retirement Age; Term Limits.*** No director may stand for election or re-election to the Board after the director has reached the age of 75. A director that turns 75 during his or her term, however, may serve out the remainder of that term. The Board has not established a limit on the number of terms that a director may serve.

### 3. Board Meetings

- (i) ***Frequency of Meetings.*** In discharging its fiduciary responsibility to the stockholders of the Company, the Board meets as necessary, but no less than four (4) times a year. The Board may hold an additional regular meeting each year, to be devoted primarily to strategic planning, programs and initiatives.
- (ii) ***Selection of Board Agenda Items.*** The Chair of the Board and the Lead Independent Director, working together with the CEO (if that person is not also the Chair) and the Corporate Secretary, set the agenda for each Board meeting. Directors are encouraged to suggest the inclusion of items on the agenda. Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting or a future meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee.
- (iii) ***Distribution of Board Materials.*** Materials related to agenda items generally are distributed one (1) week prior to each Board or committee meeting, unless timing

or the sensitivity of information dictates that information is presented at an alternative time.

- (iv) ***Executive Sessions of Independent Directors.*** The independent directors meet regularly and at least once per year in executive sessions at which only independent directors are present. The Lead Independent Director presides at meetings in executive sessions and may call such a meeting.

#### 4. **Board Access and Communications**

- (i) ***Communications from Leadership.*** The Board shall be notified immediately upon:
  - a) receipt of any communication from the SEC, IRS, or any regulatory agency outside of the normal course of business, b) notice of any significant pending or threatened litigation, or c) the occurrence of any other situation which might result in a significant loss or other exposure to the Company.
- (ii) ***Contact with Management.*** All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of the Company's management and employees. Whenever possible, Board access to management should be coordinated through the CEO or General Counsel. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.
- (iii) ***Access to Outside Advisors.*** The Board has the authority to retain such outside counsel, experts, and other advisors as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating and Governance and Compensation Committees has similar authority to retain outside advisors as it determines appropriate to assist it in the performance of its functions. The Company shall provide sufficient funding, as determined by the Board or these Committees, as applicable, to retain outside advisors.
- (iv) ***Access to Information and Personnel.*** The Board should have open access to the information and personnel it needs to perform its duties. Regarding communication and the relationship between the Board and management, it is crucial that an atmosphere of courtesy and respect exist. Feedback between the Board and Company leadership should be given freely, without hesitation, and received in a constructive spirit.

#### 5. **Committees of the Board**

The Board shall have at least three committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee shall have a written charter and shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee.

Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be comprised of at least three (3) members, all of whom shall be

voting members. In addition, each committee member must be independent and any other membership requirements set forth in the relevant committee charter must be satisfied. A director may serve on more than one committee. With the permission of the chair of the committee, directors who are not members of a committee may attend the meetings of the committee. It is expected that membership on the various committees of the Board will rotate from time to time, to the extent consistent with the needs and membership requirements of the specific committees.

The Board may also establish and maintain other committees from time to time as it deems necessary or appropriate.

Committee members are recommended to the Board by the Nominating and Governance Committee and appointed by the full Board.

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee and qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate.

The chair of each committee, in consultation with other directors and Company leaders as appropriate, determines the frequency, length, and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings to allow the members to review and prepare for discussion of the items at the meeting.

## 6. **Expectations of Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with applicable laws, rules, regulations and listing standards. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the long term best interests of the Company and its stockholders. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

- (i) ***Commitment and Attendance.*** All directors are expected to make best efforts to attend all meetings of the Board, meetings of the committees of which they are members and the annual meeting of stockholders. Members are expected to attend Board meetings and meetings of committees of which they are members in person, but may also attend such meetings by telephone or video conference with the permission of the Chair of the Board or the chair of the applicable committee.
- (ii) ***Participation in Meetings.*** Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the

meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

- (iii) ***Loyalty and Ethics.*** The Board is committed to upholding the highest legal and ethical standards of conduct in fulfilling its responsibilities. In their roles as directors, all directors owe a duty of loyalty to the Company. The Company has adopted a Code of Conduct (the “Code”), and directors are expected to adhere to the Code. Board members are also expected to adhere to all other Company policies applicable to them. Loans to directors and executive officers (other than certain loans to executive officers in connection with the Company’s relocation benefits) are strictly forbidden.
- (iv) ***Confidentiality.*** The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.
- (v) ***Conflicts of Interest.*** Directors are expected to avoid any action, position, or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. To prevent inadvertent conflicts of interest, or the appearance of a conflict of interest, directors should disclose all business relationships with the Company or its competitors or vendors. In addition, directors must update the Company by notifying the Chair and the CEO (if the CEO is not also the Chair) and the Chair of the Nominating and Governance Committee if an actual or potential conflict of interest arises. If a major conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their business, professional or personal interests in relationships with the Company or its competitors or vendors. The Nominating and Governance Committee shall resolve any conflict of interest question involving any director or the CEO.

## 7. **Majority Voting Director Resignation Policy**

As provided under Section 1.9 of the Company’s bylaws, if a nominee who already serves as a director does not receive a majority of the votes cast with respect to that director in any uncontested election of directors, such director shall offer to tender his or her resignation to the Board. The Nominating and Governance Committee shall be responsible for making a recommendation to the Board regarding whether to accept or reject the resignation, or whether other action should be taken. The Nominating and Governance Committee’s recommendation shall be presented to the Board within a period of time following the offer of such director’s resignation that is sufficient to permit the Board to act on the Nominating and Governance Committee’s recommendation and publicly disclose its decision and the rationale behind the decision within 90 days from the date of the certification of the election results. In the event that it is a member of the Nominating and Governance Committee who has offered to tender his or her resignation, such Committee member shall not be permitted to participate in deliberations regarding, or vote on, the Committee’s recommendation. In making its recommendation to the Board regarding whether to accept or reject the resignation, or whether other action should be taken, the Nominating and Governance Committee shall consider such factors as it deems appropriate and that are consistent with the Corporate Governance Principles. Where appropriate, such factors may include:



applicable listing standards and SEC rules (including relating to committee composition and director independence);

the stated reasons that the stockholders withheld votes;

any alternatives for curing the cause of the withheld votes;

the director's tenure and the director's past and anticipated contributions to the Board; and

the overall Board composition and relative mix of skills, experience and qualifications of all Board members and the Board member who received less than a majority of the votes cast.

## **8. Management Succession Planning**

The Board will periodically review a succession plan relating to the CEO and other executive officers that is developed by management. The Board may also delegate oversight of the succession plan developed by management to a committee of the Board. The succession plan should include, among other things, an assessment of the experience, performance and skills for possible successors to the CEO.

## **9. Evaluation of Board Performance**

The Board, acting through the Nominating and Corporate Governance Committee, will conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will also periodically consider the mix of skills, qualifications and experience that directors bring to the Board to assess whether the Board has the necessary mix of such skills, qualifications and experience to perform its oversight function effectively. Periodically, the Nominating and Corporate Governance Committee will reassess the size of the Board to determine whether a different number of directors would be more effective.

Each committee of the Board will conduct a self-evaluation at least annually and report the results to the Board. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter, as well as consider whether the committee is adding value and performing its responsibilities effectively.

## **10. Board Compensation; Stock Ownership Guidelines**

The Compensation Committee annually reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Compensation Committee. Independent directors receive a combination of cash and equity compensation for service on the Board. Directors who are also officers of the Company or its subsidiaries do not receive additional compensation for service on the Board. The Company has in place stock ownership guidelines that require directors to maintain a stock ownership investment in the Company equal to three times their annual cash retainer and each executive officer to maintain a stock ownership investment in the Company equal to three times (or six times in the case of the Company's CEO) their base salary. New directors and executive officers are given five years to reach these levels.

## **11. Say on Pay and Stockholder Concerns Regarding Executive Compensation**

The Board believes that it very important to listen to, engage with and be responsive to stockholders in matters relating to the Company's executive compensation policies, whether stockholder feedback comes through a say on pay vote or other stockholder engagement. It is equally important for stockholders to have the opportunity to fully understand the objectives, philosophy and principles the Board has used to make executive compensation decisions. The Company's compensation plans approved by the Board are designed to align the interests of executive officers with the interests of stockholders and to provide benefits that are comparable to those provided by the Company's industry peers and consistent with best practices. The Company will submit the compensation of its named executive officers to an annual advisory say on pay vote in accordance with the rules of the Securities and Exchange Commission. The Board and the Compensation Committee will take stockholder views into account in making compensation decisions.

## **12. Communications with Interested Parties**

The CEO is responsible for establishing effective communications with all interested parties, including stockholders of the Company. It is the policy of the Company that management speaks for the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chair or the Lead Director, acting in coordination with the Chair and CEO. If a director is contacted by the media regarding Company matters, he or she should request the media to contact the senior executive responsible for managing communications and not provide commentary.

The Board and the Nominating and Governance Committee are responsible for overseeing relationships between the Company and its stockholders and reviewing management's engagement with stockholders. In coordination with the Chair and the CEO, the Lead Director or other members of the Board may participate in stockholder engagement activity focused on specific governance issues where such participation is appropriate.

## **13. Communications with Non-Management Directors**

Anyone who would like to communicate with, or otherwise make his or her concerns known directly to the Board, any then-serving Lead Director, the chair of any of the Audit, Nominating and Corporate Governance and Compensation Committees or to the non-management or independent directors as a group, may do so by addressing such communications or concerns to the Corporate Secretary of the Company, 313 Iron Horse Way, Providence, Rhode Island 02908 who will forward such communications to the appropriate party. All correspondence will be compiled and summarized by the Corporate Secretary and periodically submitted to the Board or individual directors. The Corporate Secretary may also forward certain correspondence elsewhere within the Company for review by a subject matter expert and response, as appropriate. Board members may at any time review a log of all correspondence received by the Company that is addressed to the Board members and request copies of any such correspondence. Absent such requested review, the Board shall receive, periodically, a list of the material matters submitted in correspondence and resolution activities.