

UNITED STATES
SECURITIES & EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934.

For the fiscal year ended July 27, 2024

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

COMMISSION FILE NUMBER: 0-33360

VILLAGE SUPER MARKET, INC.

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of incorporation or organization)

22-1576170

(I. R. S. Employer Identification No.)

733 Mountain Avenue, Springfield, New Jersey 07081

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (973) 467-2200

Securities registered pursuant to Section 12(b) of the Act:

Class A common stock, no par value

(Title of Class)

VLGEA

(Trading Symbol)

The NASDAQ Stock Market

(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§299.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and " emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the Class A common stock of Village Super Market, Inc. held by non-affiliates was approximately \$ 221.3 million and the aggregate market value of the Class B common stock held by non-affiliates was approximately \$ 0.4 million based upon the closing price of the Class A shares on the NASDAQ on January 27, 2024, the last business day of the second fiscal quarter. There are no other classes of voting stock outstanding.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of latest practicable date.

<u>Class</u>	Outstanding at <u>October 9, 2024</u>
Class A common stock, no par value	10,559,211 Shares
Class B common stock, no par value	4,203,748 Shares

DOCUMENTS INCORPORATED BY REFERENCE

Information contained in the 2024 definitive Proxy Statement to be filed with the Commission and delivered to security holders in connection with the Annual Meeting scheduled to be held on December 13, 2024 are incorporated by reference into this Form 10-K at Part II, Item 5 and Part III.

PART I

(All dollar amounts are in thousands, except per share and per square foot data).

ITEM I. BUSINESS

GENERAL

Village Super Market, Inc. (the "Company" or "Village") was founded in 1937. Village operates a chain of 34 supermarkets in New Jersey (26), New York (6), Maryland (1) and Pennsylvania (1) under the ShopRite and Fairway banners and three Gourmet Garage specialty markets in New York City. Village is the second largest member of Wakefern Food Corporation ("Wakefern"), the nation's largest retailer-owned food cooperative and owner of the ShopRite, Fairway and Gourmet Garage names. This ownership interest in Wakefern provides Village with many of the economies of scale in purchasing, distribution, advanced retail technology, marketing and advertising associated with chains of greater size and geographic coverage.

The supermarket industry is highly competitive and characterized by narrow profit margins. The Company competes directly with multiple retail formats, both in-store and online, including national, regional and local supermarket chains as well as warehouse clubs, supercenters, drug stores, discount general merchandise stores, fast food chains, restaurants, dollar stores and convenience stores. The Company competes by providing a superior customer service experience, competitive pricing and a broad range of consistently available quality products. The ShopRite Price Plus and Fairway Insider customer loyalty programs enable Village to offer continuity programs, focus on target marketing initiatives and to offer discounts and attach digital coupons directly to a customer's loyalty card.

Online grocery ordering for in-store pick up or home delivery is available in all of our ShopRite stores through shoprite.com, the ShopRite app or through third party service providers. Additionally, the ShopRite Order Express app enables customers to pre-order deli, catering, specialty occasion cakes and other items. Online ordering for home delivery is available in all Fairway stores through fairwaymarket.com, the Fairway app or through third party service providers. Online ordering for home delivery is available in all Gourmet Garage stores through gourmetgarage.com, the Gourmet Garage app or through third party service providers.

To promote production efficiency, product quality and consistency, the Company operates a centralized commissary supplying certain products in deli, bakery, prepared foods and other perishable product categories to all stores.

During fiscal 2024, sales per store were \$58,475 and sales per average square foot of selling space were \$1,491.

Below is a summary of the range of store sizes at July 27, 2024:

Total Square Feet	Number of Stores
Greater than 60,000	17
50,001 to 60,000	9
40,001 to 50,000	5
20,000 to 40,000	3
Less than 20,000	3
Total	37

These larger store sizes enable the Company to offer a wide variety of national branded and locally sourced food products, including grocery, meat, produce, dairy, deli, seafood, prepared foods, bakery and frozen foods as well as non-food product offerings, including health and beauty care, general merchandise, liquor and 21 in-store pharmacies. Most product departments include high-quality, competitively priced own-brand offerings under the Wholesome Pantry, Bowl & Basket, Paperbird, Fairway and Gourmet Garage brands. Our Fairway Markets offer a one-stop destination shopping experience with an emphasis on fresh, unique, and high quality offerings paired with an expansive variety of natural, organic, specialty and gourmet products. Our Gourmet Garage specialty markets offer organic produce, signature soups and prepared foods, high-quality meat and seafood, charcuterie and gourmet cheeses, artisan baked bread and pastries, chef-prepared meals to go and pantry staples.

The following table shows the percentage of the Company's sales allocated to various product categories during each of the periods indicated:

Product Categories

	2024	2023
Groceries	35.0 %	34.9 %
Dairy and Frozen	17.0	17.3
Produce	13.3	13.2
Meats	9.3	9.3
Non-Foods	6.9	6.8
Deli and Prepared Food	8.2	8.3
Pharmacy	3.7	3.3
Seafood	2.7	2.9
Bakery	2.8	2.8
Liquor	0.8	0.9
Other	0.3	0.3
	100 %	100 %

A variety of factors affect the profitability of each of the Company's stores, including competition, size, access and parking, lease terms, management supervision, and the strength of the applicable banner in the local community. The Company gives ongoing attention to the décor and format of its stores and tailors each store's product mix to the preferences of the local community. Village continually evaluates individual stores to determine if they should be closed, remodeled or replaced.

On March 17, 2024, we opened an 83,000 sq. ft. replacement ShopRite store in Old Bridge, NJ, that replaced our existing 32,000 sq. ft. store.

On August 14, 2022, we converted the Pelham, NY store from the Fairway banner to the ShopRite banner and a major remodel of the store was completed in late October 2022.

The Company operated an automated micro-fulfillment center to facilitate online order fulfillment for the south New Jersey stores that was closed on September 1, 2024.

On November 1, 2023, Village closed an 8,400 sq. ft. Gourmet Garage store located in New York City. The impact associated with the closure and ongoing results of operating were not material to Village's consolidated financial statements.

ACQUISITIONS, DEVELOPMENT AND EXPANSION

The Company has an ongoing program to upgrade and expand its supermarket chain. This program has included store remodels as well as the opening or acquisition of additional stores. When remodeling, Village has sought, whenever possible, to increase the amount of selling space in its stores.

We have budgeted \$75,000 for capital expenditures in fiscal 2025. Planned expenditures include costs for construction of replacement stores in both East Orange, NJ and Watchung, NJ, real estate purchases, several smaller store remodels and merchandising initiatives and various technology, equipment and facility upgrades. The Company's primary sources of liquidity in fiscal 2025 are expected to be cash and cash equivalents on hand at July 27, 2024 and operating cash flow generated in fiscal 2025.

During fiscal 2022 the Company entered into a partnership agreement for a 30% interest in the development of a retail center in Old Bridge, New Jersey, which includes Village's Old Bridge replacement store with an operating lease obligation of \$4,374 as of July 27, 2024. Village will fund its share of project costs estimated to be \$15,000 to \$20,000 over the two to three year life of the project. As of July 27, 2024, Village has invested \$17,355 into the real estate partnership, which is accounted for as an equity method investment included in Investments in Real Estate Partnerships on the Consolidated Balance Sheet.

Additional store remodels and sites for new stores are in various stages of development. Village will also consider additional acquisitions should appropriate opportunities arise.

Fiscal 2024

Fiscal 2024 capital expenditures primarily include costs for construction of the Old Bridge, NJ replacement store that opened on March 17, 2024 and initial construction costs for replacement stores in East Orange, NJ and Watchung, NJ which are scheduled to open in fiscal 2025, real estate purchases, several smaller store remodels and merchandising initiatives and various technology, equipment and facility upgrades.

Fiscal 2023

Fiscal 2023 capital expenditures primarily include costs associated with the remodel and conversion of the Pelham, NY Fairway to the ShopRite banner, the new Gourmet Garage store in the West Village of New York City, the purchase of the Vineland store shopping center, costs for construction of the Old Bridge replacement store, installation of electronic shelf labels, continued expansion of self-checkout and various technology, equipment and facility upgrades.

WAKEFERN FOOD CORPORATION

The Company is the second largest member of Wakefern and owns 12.8% of Wakefern's outstanding stock as of July 27, 2024. Wakefern, which was organized in 1946, is the nation's largest retailer-owned food cooperative. Wakefern and its 45 shareholder members operate 365 supermarkets and other retail formats, including 80 stores operated by Wakefern. Only Wakefern and its members are entitled to use Wakefern branded names and trademarks, including the ShopRite, Fairway, Gourmet Garage, PriceRite, The Fresh Grocer, Dearborn Market and Di Bruno Bros., and to participate in related advertising and promotional programs.

The principal benefits to the Company from its relationship with Wakefern are the use of the ShopRite, Fairway and Gourmet Garage names and trademarks, volume purchasing, store and own branded products, distribution and warehousing economies of scale, advertising and promotional programs and the development of advanced retail technology. The Company believes that the ShopRite and Fairway names are widely recognized by its customers and is a factor in their decisions about where to shop. Store and own branded products accounted for approximately 18% of sales in fiscal 2024.

Wakefern distributes as a "patronage dividend" to each of its stockholders a share of substantially all of its earnings in proportion to the dollar volume of purchases by the stockholder from Wakefern during each fiscal year.

While Wakefern has a substantial professional staff, it operates as a member owned cooperative. Executives of most members make contributions of time to the business of Wakefern. Executives of the Company spend a significant amount of their time working on various Wakefern committees, which oversee and direct Wakefern purchasing, merchandising and other programs. In addition, Nicholas Sumas, the Company's Co-President, is a member of the Wakefern Board of Directors.

Most of the Company's advertising is developed and placed by Wakefern's professional advertising staff. Wakefern is responsible for all broadcast television, radio, print and digital advertisements. Wakefern bills its members using various

formulas which allocate advertising costs in accordance with the estimated proportional benefits to each member from such advertising. The Company also places Wakefern developed materials with local newspapers. In addition, Wakefern and its affiliates provide the Company with other services including liability and property insurance, supplies, certain equipment purchasing, coupon processing, certain financial accounting applications, retail technology support, including shoprite.com, gourmetgarage.com, fairwaymarket.com, branded apps and other store services.

Wakefern operates warehouses and distribution facilities in Elizabeth, Keasbey, Dayton, Newark and Jamesburg, New Jersey and Gouldsboro, Breinigsville and Hatfield, Pennsylvania. The Company and all other members of Wakefern are parties to the Wakefern Stockholders' Agreement which provides for certain commitments by, and restrictions on, all shareholders of Wakefern. This agreement extends until ten years from the date that stockholders representing 75% of Wakefern sales notify Wakefern that those stockholders request the Wakefern Stockholders' Agreement be terminated. Each member is obligated to purchase from Wakefern a minimum of 85% of its requirements for products offered by Wakefern. If this purchase obligation is not met, the member is required to pay Wakefern's profit contribution shortfall attributable to this failure. The Company fulfilled this obligation in fiscal 2024 and 2023. This agreement also requires that in the event of unapproved changes in control of the Company or a sale of the Company or of individual Company stores, except to a qualified successor, the Company in such cases must pay Wakefern an amount equal to the annual profit contribution shortfall attributable to the sale of a store or change in control. No payments are required if the volume lost by a shareholder as a result of the sale of a store is replaced by such shareholder by increased volume in existing or new stores. A "qualified successor" must be, or agree to become, a member of Wakefern, and may not own or operate any supermarkets, other than Wakefern branded stores in the states of New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, Connecticut, Massachusetts, Rhode Island, Vermont, New Hampshire, Maine or the District of Columbia, or own or operate more than 25 non-Wakefern branded stores in any other locations in the United States.

Wakefern, under circumstances specified in its bylaws, may refuse to sell merchandise to, and may repurchase the Wakefern stock of, any member. Such circumstances include a member's bankruptcy filing, certain unapproved transfers by a member of its supermarket business or its capital stock in Wakefern, unapproved acquisition by a member of certain supermarket or grocery wholesale supply businesses, the material breach by a member of any provision of the bylaws of Wakefern or any agreement with Wakefern, or a failure to fulfill financial obligations to Wakefern.

Any material change in Wakefern's method of operation or a termination or material modification of the Company's relationship with Wakefern following termination of the above agreements, or otherwise, might have an adverse impact on the conduct of the Company's business and could involve additional expense for the Company. The failure of any Wakefern member to fulfill its obligations under these agreements or a member's insolvency or withdrawal from Wakefern could result in increased costs to remaining members.

Wakefern does not prescribe geographical franchise areas to its members. The specific locations at which the Company, other members of Wakefern, or Wakefern itself, may open new Wakefern branded store units are subject to the approval of Wakefern's Site Development Committee. This committee is composed of persons who are not employees or members of Wakefern. Committee decisions to deny a site application may be appealed to the Wakefern Board of Directors. Wakefern assists its members in their site selection by providing appropriate demographic data, volume projections and estimates of the impact of the proposed store on existing member supermarkets in the area.

Each of Wakefern's members is required to make capital contributions to Wakefern based on the number of stores operated by that member and the purchases from Wakefern generated by those stores. As additional stores are opened or acquired by a member, additional capital must be contributed by it to Wakefern. The Company's investment in Wakefern and affiliates was \$33,093 at July 27, 2024. The total amount of debt outstanding from all capital pledges to Wakefern is \$1,662 at July 27, 2024. The maximum per store investment is currently \$975.

As required by the Wakefern bylaws, the Company's investment in Wakefern is pledged to Wakefern to secure the Company's obligations to Wakefern. In addition, four members of the Sumas family have guaranteed the Company's obligations to Wakefern. These personal guarantees are required of any 5% shareholder of the Company who is active in the operation of the Company. Wakefern does not own any securities of the Company or its subsidiaries. The Company's investment in Wakefern entitles the Company to enough votes to elect one member to the Wakefern Board of Directors due to cumulative voting rights.

LABOR

As of July 27, 2024, the Company employed approximately 7,300 persons with approximately 70% working part-time. Approximately 91% of the Company's employees are covered by collective bargaining agreements. Contracts with the Company's seven unions have expiration dates between June 2024 and October 2027. Approximately 30% of our associates

are represented by unions whose contracts have expired or will expire within one year. Many of the Company's competitors are similarly unionized.

SEASONALITY

The majority of our revenues are generally not seasonal in nature. However, revenues tend to be higher during the major holidays throughout the year.

REGULATORY ENVIRONMENT

The Company's business requires various licenses and the registration of facilities with state and federal health and drug regulatory agencies. These licenses and registration requirements obligate the Company to observe certain rules and regulations, and a violation of these rules and regulations could result in a suspension or revocation of licenses or registrations and fines or penalties. In addition, most licenses require periodic renewals. The Company has not experienced material difficulties with respect to obtaining or retaining licenses and registrations.

COMPETITION

The supermarket business is highly competitive and characterized by narrow profit margins. Village competes directly with multiple retail formats both in-store and online, including national, regional and local supermarket chains as well as warehouse clubs, supercenters, drug stores, discount general merchandise stores, fast food chains, restaurants, dollar stores and convenience stores. Some of the Company's principal competitors include Acme, Aldi, Amazon/Whole Foods, BJs, Costco, Foodtown, Giant, Kings, Lidl, Safeway, Stop & Shop, Target, Trader Joe's, Wal-Mart, Wegmans and Weis. Competition with these outlets is based on price, store location, convenience, promotion, product assortment, quality and service. Some of these competitors have greater financial resources, lower merchandise acquisition costs and lower operating expenses than we do.

AVAILABLE INFORMATION

As a member of the Wakefern cooperative, Village relies upon our customer focused websites, shoprite.com, gourmetgarage.com and fairwaymarket.com, for interaction with customers and prospective employees. These websites are maintained by Wakefern for the benefit of all supermarkets under the Wakefern banners, and therefore do not contain any financial information related to the Company.

The Company will provide paper copies of the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and press releases free of charge upon request to any shareholder. In addition, electronic copies of these filings can be obtained at sec.gov.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

As of July 27, 2024, Village owns the sites of eight of its supermarkets (containing 539,000 square feet of total space). The remaining 29 stores (containing 1,543,000 square feet of total space), the central commissary and the corporate headquarters are leased, with initial lease terms generally ranging from 20 to 30 years, usually with renewal options. The stores are freestanding or are located in shopping centers or city storefronts. Most of the Company's leases contain renewal options at increased rents of five years each at the Company's sole discretion. These options enable Village to retain the use of facilities in desirable operating areas. Each renewal option is evaluated when recognizing the lease right-of-use assets and liabilities, and the Company utilizes the lease term for which it is reasonably certain to use the underlying asset. Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company is obligated under all leases to pay for real estate taxes, utilities and liability insurance, and under certain leases to pay additional amounts based on maintenance and a percentage of sales in excess of stipulated amounts. The Company accounts for rent holidays, escalating rent provisions, and construction allowances on a straight-line basis over the term of the lease. The Company owns all trade fixtures and equipment in its stores

and several other properties including retail shopping centers, a warehouse in southern New Jersey and parcels of vacant land, which are available as locations for possible future stores or other development.

On January 27, 2023, Village purchased the Vineland store shopping center for \$9,500.

As of July 27, 2024, finance lease right-of-use assets of \$9,964 are included in property, equipment and fixtures, net in the Company's consolidated balance sheet.

The annual rental payment, including finance leases, for all of the Company's leased facilities for the year ended July 27, 2024 was approximately \$38,307. For additional information on lease obligations, see Note 7 to the consolidated financial statements.

During fiscal 2022 the Company entered into a partnership agreement for a 30% interest in the development of a retail center in Old Bridge, New Jersey, which includes Village's Old Bridge replacement store with an operating lease obligation of \$4,374 as of July 27, 2024. Village will fund its share of project costs estimated to be \$15,000 to \$20,000 over the two to three year life of the project. As of July 27, 2024, Village has invested \$17,355 into the real estate partnership, which is accounted for as an equity method investment included in Investments in Real Estate Partnerships on the Consolidated Balance Sheet.

Village is a limited partner in two additional partnerships, one of which owns a shopping center in which one of our leased stores is located. The Company is also a general partner in a partnership that is a lessor of one of the Company's freestanding stores.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in litigation incidental to the normal course of business. Company management is of the opinion that the ultimate resolution of these legal proceedings should not have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(All dollar amounts are in thousands, except per share data).

Stock Price and Dividend Information

The Class A common stock of Village Super Market, Inc. is traded on the NASDAQ Global Select Market under the symbol "VLGEA." The table below sets forth the high and low last reported sales price for the fiscal quarter indicated.

	High	Low
2024		
4th Quarter	\$30.82	\$24.87
3rd Quarter	\$28.61	\$25.01
2nd Quarter	\$26.52	\$23.69
1st Quarter	\$24.42	\$21.87
2023	High	Low
4th Quarter	\$23.74	\$20.42
3rd Quarter	\$23.65	\$21.69
2nd Quarter	\$24.10	\$20.58
1st Quarter	\$22.97	\$19.23

As of October 9, 2024, there were approximately 265 holders of record of Class A common stock.

During fiscal 2024, Village paid cash dividends of \$13,341. Dividends in fiscal 2024 consist of \$1.00 per Class A common share and \$.65 per Class B common share.

During fiscal 2023, Village paid cash dividends of \$13,193. Dividends in fiscal 2023 consist of \$1.00 per Class A common share and \$.65 per Class B common share.

ITEM 6. SELECTED FINANCIAL DATA

Selected Financial Data

(Dollars in thousands, except per share data and per square foot data).

Fiscal 2021 contains 53 weeks, with the additional week included in the fourth quarter. All other fiscal years contain 52 weeks.

For year	July 27, 2024	July 29, 2023	July 30, 2022	July 31, 2021	July 25, 2020
Sales	\$ 2,236,566	\$ 2,166,654	\$ 2,061,084	\$ 2,030,330	\$ 1,804,594
Net income	50,462 ⁽¹⁾	49,716 ⁽²⁾	26,830 ⁽³⁾	19,994 ⁽⁴⁾	24,939 ⁽⁵⁾
Net income as a % of sales	2.26 %	2.29 %	1.30 %	0.98 %	1.38 %
Net income per share:					
Class A common stock:					
Basic	\$ 3.78	\$ 3.78	\$ 2.06	\$ 1.53	\$ 1.93
Diluted	3.40	3.38	1.84	1.37	1.72
Class B common stock:					
Basic	2.46	2.45	1.34	1.00	1.25
Diluted	2.46	2.45	1.34	1.00	1.25
Cash dividends per share:					
Class A	1.00	1.00	1.00	1.00	1.00
Class B	0.65	0.65	0.65	0.65	0.65
At year-end					
Total assets	\$ 981,664	\$ 967,706	\$ 924,448	\$ 889,004	\$ 915,546
Long-term debt	339,291	361,418	374,035	370,078	396,181
Working capital	25,485	67,714	79,796	44,023	34,522
Shareholders' equity	447,559	410,166	372,109	341,473	332,320
Book value per share	30.32	27.61	25.64	23.48	22.84
Other data					
Same store sales trend (6)	2.3 %	3.5 %	4.1 %	2.3 %	5.3 %
Total square feet	2,082,000	2,040,000	2,040,000	2,026,000	2,091,000
Average total sq. ft. per store	56,000	54,000	54,000	55,000	55,000
Selling square feet	1,512,000	1,488,000	1,488,000	1,481,000	1,529,000
Sales per average square foot of selling space (7)	\$ 1,491	\$ 1,460	\$ 1,390	\$ 1,349	\$ 1,275
Number of stores	37	38	38	37	38
Sales per average number of stores (7)	\$ 58,475	\$ 57,017	\$ 55,635	\$ 52,713	\$ 53,284
Capital expenditures and acquisitions	\$ 63,113	\$ 46,400	\$ 43,270	\$ 25,233	\$ 54,495

(1) Includes pre-opening costs of \$626 (net of tax) associated with opening of the Old Bridge, NJ ShopRite replacement store opened on March 17, 2024 and \$1,466 (net of tax) non-cash impairment charges for long-lived assets due to the closure of the automated micro-fulfillment center in south NJ.

(2) Includes litigation settlement gains related to claims associated with the Fairway acquisition and liabilities associated thereto of \$828 (net of tax).

(3) Includes pension settlement charges of \$8,556 (net of tax) including the result of the termination of the Village Super Market, Inc. Employees' Retirement Plan, and a \$342 (net of tax) gain on the sale of an equity investment.

(4) Includes a \$2,802 (net of tax) gain on the sale of the leasehold interest in a non-supermarket related parking lot lease obtained as part of the Fairway acquisition, a gain on the sale of a pharmacy prescription list related to the Silver Spring store, net of store closing costs of \$276 (net of tax), non-cash impairment charges for the Fairway trade name and the long lived assets for one Gourmet Garage store of \$2,010 (net of tax), pension settlement charges of \$409 (net of tax) and estimated net income of \$417 due to the fiscal year including a 53rd week.

(5) Includes a \$1,911 (net of tax) gain for Superstorm Sandy insurance proceeds received, an \$854 (net of tax) gain on the sale of pharmacy prescription lists related to three store pharmacies closed in March 2020, a \$2,512 incremental benefit from a federal net operating loss carryback at a rate higher than the current statutory tax rate, a \$1,423 (net of tax) gain arising from the breakup of Village's initial "stalking horse" bid under the January 20, 2020 Fairway Asset Purchase Agreement, transaction costs incurred for the Fairway acquisition of \$1,888 (net of tax), amortization of acquisition related inventory step-up of \$355 (net of tax), a non-cash pension charge related to the termination of a company-sponsored pension plan and other pension settlement charges of \$1,160 (net of tax), pre-opening costs related to the Stroudsburg, Pennsylvania replacement store of \$891 (net of tax) and store closure costs and charges to write off the lease asset and related obligations for the old Stroudsburg store of \$557 (net of tax).

(6) New stores, replacement stores and stores with banner changes are included in same store sales in the quarter after the store has been in operation for four full quarters. Store renovations and expansions are included in same store sales immediately. The change in same store sales in fiscal 2021 excludes the impact of the 53rd week in fiscal 2021 and fiscal 2022 excludes the impact of the 53rd week in fiscal 2021.

(7) Amounts for the year ended July 27, 2024 exclude the results of the Old Bridge replacement store opened on March 17, 2024 and the closure of a Gourmet Garage location on November 1, 2023. Amounts for the year ended July 30, 2022 exclude the results of the Gourmet Garage store opened in the West Village in Manhattan on April 29, 2022. Amounts for the year ended July 25, 2020 exclude the results of the Fairway stores acquired on May 14, 2020.

Unaudited Quarterly Financial Data

(Dollars in thousands except per share amounts).

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year
2024					
Sales	\$ 536,354	\$ 575,579	\$ 546,396	\$ 578,237	\$ 2,236,566
Gross profit	152,948	163,442	155,932	169,653	641,975
Net income	11,585	14,480	8,966	15,431	50,462
Net income per share:					
Class A common stock:					
Basic	0.87	1.09	0.67	1.16	3.78
Diluted	0.78	0.97	0.60	1.04	3.40
Class B common stock:					
Basic	0.56	0.71	0.44	0.75	2.46
Diluted	0.56	0.71	0.44	0.75	2.46
2023					
Sales	\$ 519,689	\$ 563,866	\$ 529,294	\$ 553,806	\$ 2,166,654
Gross profit	149,285	154,879	151,223	161,063	616,450
Net income (loss)	11,081	12,322	11,017	15,296	49,716
Net income (loss) per share:					
Class A common stock:					
Basic	0.85	0.95	0.84	1.15	3.78
Diluted	0.76	0.85	0.75	1.03	3.38
Class B common stock:					
Basic	0.55	0.62	0.54	0.74	2.45
Diluted	0.55	0.62	0.54	0.74	2.45

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in thousands, except per share and per square foot data).

OVERVIEW

Village Super Market, Inc. (the "Company" or "Village") operates a chain of 34 supermarkets in New Jersey (26), New York (6), Maryland (1) and Pennsylvania (1) under the ShopRite and Fairway banners and three Gourmet Garage specialty markets in New York City. Village is the second largest member of Wakefern Food Corporation ("Wakefern"), the nation's largest retailer-owned food cooperative and owner of the ShopRite, Fairway and Gourmet Garage names. This ownership interest in Wakefern provides Village with many of the economies of scale in purchasing, distribution, advanced retail technology, marketing and advertising associated with larger chains.

The supermarket industry is highly competitive and characterized by narrow profit margins. The Company competes directly with multiple retail formats, both in-store and online, including national, regional and local supermarket chains as well as warehouse clubs, supercenters, drug stores, discount general merchandise stores, fast food chains, restaurants, dollar stores and convenience stores. The Company competes by providing a superior customer service experience, competitive pricing and a broad range of consistently available quality products. The ShopRite Price Plus and Fairway Insider customer loyalty programs enable Village to offer continuity programs, focus on target marketing initiatives and to offer discounts and attach digital coupons directly to a customer's loyalty card.

Online grocery ordering for in-store pick up or home delivery is available in all of our ShopRite stores through shoprite.com, the ShopRite app or through third party service providers. Additionally, the ShopRite Order Express app enables customers to pre-order deli, catering, specialty occasion cakes and other items. Online ordering for home delivery is available in all Fairway stores through fairwaymarket.com, the Fairway app or through third party service providers. Online ordering for home delivery is available in all Gourmet Garage stores through gourmetgarage.com, the Gourmet Garage app or through third party service providers.

To promote production efficiency, product quality and consistency, the Company operates a centralized commissary supplying certain products in deli, bakery, prepared foods and other perishable product categories to all stores.

The Company's stores, eight of which are owned, average 56,000 total square feet. These larger store sizes enable the Company to offer a wide variety of national branded and locally sourced food products, including grocery, meat, produce, dairy, deli, seafood, prepared foods, bakery and frozen foods as well as non-food product offerings, including health and beauty care, general merchandise, liquor and 21 in-store pharmacies. Most product departments include high-quality, competitively priced own-brand offerings under the Wholesome Pantry, Bowl & Basket, Paperbird, Fairway and Gourmet Garage brands. Our Fairway Markets offer a one-stop destination shopping experience with an emphasis on fresh, unique, and high quality offerings paired with an expansive variety of natural, organic, specialty and gourmet products. Our Gourmet Garage specialty markets offer organic produce, signature soups and prepared foods, high-quality meat and seafood, charcuterie and gourmet cheeses, artisan baked bread and pastries, chef-prepared meals to go and pantry staples.

The Company has an ongoing program to upgrade and expand its supermarket chain. This program has included store remodels as well as the opening or acquisition of additional stores. When remodeling, Village has sought, whenever possible, to increase the amount of selling space in its stores.

On March 17, 2024, we opened an 83,000 sq. ft. replacement ShopRite store in Old Bridge, NJ, that replaced our existing 32,000 sq. ft. store.

On August 14, 2022, we converted the Pelham, NY store from the Fairway banner to the ShopRite banner and a major remodel of the store was completed in late October 2022.

The Company operated an automated micro-fulfillment center to facilitate online order fulfillment for the south New Jersey stores that was closed on September 1, 2024.

On November 1, 2023, Village closed an 8,400 sq. ft. Gourmet Garage store located in New York City. The impact associated with the closure and ongoing results of operating were not material to Village's consolidated financial statements.

We consider a variety of indicators to evaluate our performance, such as same store sales; percentage of total sales by department (mix); shrink; departmental gross profit percentage; sales per labor hour; units per labor hour; and hourly labor rates.

The Company utilizes a 52 - 53 week fiscal year, ending on the last Saturday in the month of July. Both fiscal 2024 and 2023 contain 52 weeks.

NON-GAAP MEASURES

The accompanying Consolidated Financial Statements, including the related notes, are presented in accordance with generally accepted accounting principles ("GAAP"). We provide non-GAAP measures, including Adjusted net income and Adjusted operating and administrative expenses as management believes these supplemental measures are useful to investors and analysts. These non-GAAP financial measures should not be reviewed in isolation or considered as a substitute for our financial results as reported in accordance with GAAP, nor as an alternative to net income, operating and administrative expense or any other GAAP measure of performance. Adjusted net income and Adjusted operating and administrative expense are useful to investors because they provide supplemental measures that exclude the financial impact of certain items that affect period-to-period comparability. Management and the Board of Directors use these measures as they provide greater transparency in assessing ongoing operating performance on a period-to-period basis. Other companies may have different definitions of Non-GAAP Measures and provide for different adjustments, and comparability to the Company's results of operations may be impacted by such differences. The Company's presentation of Non-GAAP Measures should not be construed as an implication that its future results will be unaffected by unusual or non-recurring items.

The following tables reconciles Net income to Adjusted net income and Operating and administrative expenses to Adjusted operating and administrative expenses:

	Years ended	
	July 27, 2024	July 29, 2023
Net Income	\$ 50,462	\$ 49,716
Adjustments to Operating Expenses:		
Store pre-opening costs (1)	\$ 907	\$ —
Impairment of assets (2)	2,125	—
Litigation settlement gain (3)	—	(1,200)
Adjustments to Income Taxes:		
Tax impact of adjustments to operating expenses	(940)	372
Adjusted net income	<u>\$ 52,554</u>	<u>\$ 48,888</u>
Operating and administrative expenses		
Adjustments to operating and administrative expenses	\$ 544,348	\$ 516,902
Adjusted operating and administrative expenses	<u>(907)</u>	<u>1,200</u>
Adjusted operating and administrative expenses as a % of sales	\$ 543,441	\$ 518,102
	24.30 %	23.91 %

(1) Fiscal 2024 pre-opening costs are associated with opening of the Old Bridge, NJ ShopRite replacement store opened on March 17, 2024.

(2) Fiscal 2024 includes non-cash impairment charges for long-lived assets due to the closure of the automated micro-fulfillment center in south NJ.

(3) Fiscal 2023 litigation settlement gains are related to claims associated with the Fairway acquisition and liabilities associated thereto.

RESULTS OF OPERATIONS

The following table sets forth the components of the consolidated statements of operations of the Company as a percentage of sales:

	July 27, 2024	July 29, 2023
Sales	100.00 %	100.00 %
Cost of sales	71.30 %	71.55 %
Gross profit	28.70 %	28.45 %
Operating and administrative expense	24.34 %	23.86 %
Depreciation and amortization	1.48 %	1.58 %
Impairment of assets	0.10 %	— %
Operating income	2.78 %	3.01 %
Interest expense	(0.18)%	(0.19)%
Interest income	0.66 %	0.53 %
Income before income taxes	3.26 %	3.35 %
Income taxes	1.00 %	1.06 %
Net income	2.26 %	2.29 %

SALES

Sales were \$2,236,566 in fiscal 2024 compared to \$2,166,654 in fiscal 2023. Sales increased due primarily to an increase in same store sales of 2.3% and the opening of the Old Bridge, NJ replacement store on March 17, 2024 partially offset by the impact of the closure of a Gourmet Garage location on November 1, 2023. Same store sales increased due primarily to retail price inflation, digital sales growth, higher pharmacy sales and continued growth in recently remodeled stores.

New stores, replacement stores and stores with banner changes are included in same store sales in the quarter after the store has been in operation for four full quarters. Store renovations and expansions are included in same store sales immediately.

GROSS PROFIT

Gross profit as a percentage of sales increased to 28.70% in fiscal 2024 compared to 28.45% in fiscal 2023 due primarily to increased departmental gross margin percentages (.21%), increased patronage dividends and rebates received from Wakefern (.13%), decreased warehouse assessment charges from Wakefern (.10%) and lower LIFO charges (.09%) partially offset by higher promotional spending (.18%) and an unfavorable change in product mix (.11%). Department gross margins increased due primarily to pricing initiatives and improvements in commissary operations partially offset by higher inventory shrink.

OPERATING AND ADMINISTRATIVE EXPENSE

Operating and administrative expense as a percentage of sales increased to 24.34% in fiscal 2024 compared to 23.86% in fiscal 2023. Adjusted operating and administrative expense as a percentage of sales increased to 24.30% in fiscal 2024 compared to 23.91% in fiscal 2023 due primarily to increased labor costs and fringe benefits (.21%), increased external fees associated with digital sales growth (.08%), expanded store security (.06%) and software licensing associated with retail and commissary technology investments (.05%). Higher labor and fringe benefit costs are due primarily to minimum wage and demand driven pay rate increases and higher union health and welfare plan costs.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense decreased in fiscal 2024 compared to fiscal 2023 due primarily to the timing of capital expenditures.

IMPAIRMENT OF ASSETS

Impairment of assets in fiscal 2024 includes non-cash charges for long-lived assets at the automated micro-fulfillment center which was closed in September 2024.

INTEREST EXPENSE

Interest expense decreased in fiscal 2024 compared to fiscal 2023 due primarily to lower average outstanding debt balances.

INTEREST INCOME

Interest income increased in fiscal 2024 compared to fiscal 2023 due primarily to higher interest rates and larger amounts invested in variable rate notes receivable from Wakefern and demand deposits invested at Wakefern.

INCOME TAXES

The Company's effective income tax rate was 30.6% in fiscal 2024 compared to 31.6% in fiscal 2023. The effective tax rate decreased in fiscal 2024 compared to fiscal 2023 due primarily to increased estimated work opportunity tax credits and a favorable deferred tax asset revaluation to reflect changes in state tax rates.

NET INCOME

Net income was \$50,462 in fiscal 2024 compared to \$49,716 in fiscal 2023. Adjusted net income was \$52,554 in fiscal 2024 compared to \$48,888 in fiscal 2023. Adjusted net income increased 7% compared to the prior year due primarily to the 2.3% increase in same store sales, improvements in gross profit and increased interest income.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are those accounting policies that management believes are important to the portrayal of the Company's financial condition and results of operations. These policies require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

IMPAIRMENT

The Company reviews the carrying values of its long-lived assets, such as property, equipment and fixtures and operating lease assets on an individual store basis for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Factors considered by the Company that could result in an impairment triggering event include a current period operating or cash flow loss, underperformance of a store relative to historical or expected operating results, and significant negative industry or economic trends. If an impairment triggering event is identified, the Company analyzes the undiscounted estimated future net cash flows from asset groups at the store level to determine if the carrying value of such assets are recoverable from their respective cash flows. If impairment is indicated, it is measured by comparing the fair value of the long-lived asset groups to their carrying value.

Goodwill and indefinite-lived intangible assets are tested at the end of each fiscal year, or more frequently if circumstances dictate, for impairment. The Company utilizes valuation techniques, such as earnings multiples, in addition to the Company's market capitalization, to assess goodwill for impairment. Calculating the fair value of a reporting unit requires the use of estimates. Management believes the fair value of Village's one reporting unit exceeds its carrying value at July 27, 2024. Should the Company's carrying value of its one reporting unit exceed its fair value, the amount of any resulting goodwill impairment may be material to the Company's financial position and results of operations. The fair value of indefinite-lived intangible assets are estimated based on the discounted cash flow model using the relief from royalty method.

PATRONAGE DIVIDENDS

As a stockholder of Wakefern, Village earns a share of Wakefern's earnings, which are distributed as a "patronage dividend." This dividend is based on a distribution of substantially all of Wakefern's operating profits for its fiscal year (which ends on or about September 30) in proportion to the dollar volume of purchases by each member from Wakefern during that fiscal year. Patronage dividends are recorded as a reduction of cost of sales as merchandise is sold. Village accrues estimated patronage dividends due from Wakefern quarterly based on an estimate of the annual Wakefern patronage dividend and an estimate of Village's share of this annual dividend based on Village's estimated proportional share of the dollar volume of business transacted with Wakefern that year. The patronage dividend receivable based on these estimates was \$16,068 and \$12,466 at July 27, 2024 and July 29, 2023, respectively.

RECENTLY ISSUED ACCOUNTING STANDARDS

For the disclosure related to recently issued accounting standards, see Note 1 to the consolidated financial statements.

LIQUIDITY and CAPITAL RESOURCES

CASH FLOWS

Net cash provided by operating activities was \$80,849 in fiscal 2024 compared to \$104,513 in fiscal 2023. The change in cash flows from operating activities in fiscal 2024 was primarily due to changes in working capital partially offset by an increase in net income. Working capital changes, including Other assets and liabilities, decreased cash flows from operating activities by \$11,340 in fiscal 2024 compared to an increase of \$15,021 in fiscal 2023. The change in impact of working capital is due primarily to the timing of tax payments.

During fiscal 2024, Village used cash to fund capital expenditures of \$63,113, dividends of \$13,341, principal payments of long-term debt of \$11,003, share repurchases of \$2,211, an investment in a real estate partnership for the development of a retail center in Old Bridge, New Jersey of \$6,480 and additional net investments of \$8,653 in notes receivable from Wakefern. Capital expenditures primarily include costs associated with the construction of the Old Bridge replacement store

that opened on March 17, 2024, the minor remodel of the Millburn, NJ ShopRite, two other replacement stores scheduled to open in fiscal 2025, the purchase of real estate and various technology, equipment and facility upgrades.

During fiscal 2023, Village used cash to fund capital expenditures of \$46,400, dividends of \$13,193, principal payments of long-term debt of \$10,446, treasury stock purchases of \$3,739, an investment in a real estate partnership for the development of a retail center in Old Bridge, New Jersey of \$5,865 and additional net investments of \$36,425 in notes receivable from Wakefern. Capital expenditures primarily include costs associated with the remodel and conversion of the Pelham, NY Fairway to the ShopRite banner, the new Gourmet Garage store in the West Village of New York City, the purchase of the Vineland store shopping center, costs for construction of the Old Bridge replacement store, installation of electronic shelf labels, continued expansion of self-checkout, and various technology, equipment and facility upgrades.

LIQUIDITY and DEBT

Working capital was \$25,485 at July 27, 2024 compared to \$67,714 at July 29, 2023. Working capital ratios at the same dates were 1.15 and 1.38 to one, respectively. The decrease in working capital in fiscal 2024 compared to fiscal 2023 is due primarily to \$33,338 in notes receivable from Wakefern that matured on February 15, 2024 and were reinvested in long-term notes receivable from Wakefern. The Company's working capital needs are reduced, since inventories are generally sold by the time payments to Wakefern and other suppliers are due.

We have budgeted \$75,000 for capital expenditures in fiscal 2025. Planned expenditures include costs for construction of replacement stores in both East Orange, NJ and Watchung, NJ, real estate purchases, several smaller store remodels and merchandising initiatives and various technology, equipment and facility upgrades. The Company's primary sources of liquidity in fiscal 2025 are expected to be cash and cash equivalents on hand at July 27, 2024 and operating cash flow generated in fiscal 2025.

During fiscal 2022 the Company entered into a partnership agreement for a 30% interest in the development of a retail center in Old Bridge, New Jersey, which includes the Village Old Bridge replacement store with an operating lease obligation of \$4,374 as of July 27, 2024. Village will fund its share of project costs estimated to be \$15,000 to \$20,000 over the two to three year life of the project. As of July 27, 2024, Village has invested \$17,355 into the real estate partnership, which is accounted for as an equity method investment included in Investments in Real Estate Partnerships on the consolidated balance sheet.

On August 15, 2022, notes receivable due from Wakefern of \$28,850 that earned interest at the prime rate plus 1.25% matured. The Company invested all of the proceeds received in variable rate notes receivable from Wakefern that earn interest at the prime rate plus .50% and mature on August 15, 2027. On September 28, 2022, the Company invested an additional \$30,000 in variable rate notes receivable from Wakefern that earn interest at the prime rate plus .50% and mature on September 28, 2027. On February 15, 2024, notes receivable due from Wakefern of \$33,338 that earned interest at the prime rate plus .75% matured. The Company invested all of the proceeds received in variable rate notes receivable from Wakefern that earn interest at the SOFR plus 2.25% and mature on February 15, 2029.

At July 27, 2024, the Company held variable rate notes receivable due from Wakefern of \$33,740 that earn interest at the prime rate plus .50% and mature on August 15, 2027, \$34,829 that earn interest at the prime rate plus .50% and mature on September 28, 2027, and \$34,293 that earn interest at the SOFR plus 2.25% and mature on February 15, 2029.

Wakefern has the right to prepay these notes at any time. Under certain conditions, the Company can require Wakefern to prepay the notes, although interest earned since inception would be reduced as if it was earned based on overnight money market rates as paid by Wakefern on demand deposits.

At July 27, 2024, Village had demand deposits invested at Wakefern in the amount of \$97,126. These deposits earn overnight money market rates.

Credit Facility

The Company has a credit facility (the "Credit Facility") with Wells Fargo National Bank, National Association ("Wells Fargo"). The principal purpose of the Credit Facility is to finance general corporate and working capital requirements, Village's fiscal 2020 acquisition of certain Fairway assets and certain capital expenditures. Among other things, the Credit Facility provides for:

- An unsecured revolving line of credit providing a maximum amount available for borrowing of \$75,000. Indebtedness under this agreement bears interest at the applicable Secured Overnight Financing Rate ("SOFR") plus 1.10% and expires on May 6, 2025.

- An unsecured \$25,500 term loan issued on May 12, 2020, repayable in equal monthly installments based on a seven-year amortization schedule through May 4, 2027 and bearing interest at the applicable SOFR plus 1.46%. An interest rate swap with notional amounts equal to the term loan fixes the base SOFR at .26% per annum through May 4, 2027, resulting in a fixed effective interest rate of 1.72% on the term loan.
- A secured \$50,000 term loan issued on September 1, 2020 repayable in equal monthly installments based on a fifteen-year amortization schedule through September 1, 2035 and bearing interest at the applicable SOFR plus 1.61%. An interest rate swap with notional amounts equal to the term loan fixes the base SOFR at .57% per annum through September 1, 2035, resulting in a fixed effective interest rate of 2.18% on the term loan. The term loan is secured by real properties of Village Super Market, Inc. and its subsidiaries, including the sites of three Village stores.
- A secured \$7,350 term loan issued on January 28, 2022 repayable in equal monthly installments based on a fifteen-year amortization schedule through January 28, 2037 and bearing interest at the applicable SOFR plus 1.50%. An interest rate swap with notional amounts equal to the term loan fixes the base SOFR at 1.41% per annum through January 28, 2037, resulting in a fixed effective interest rate of 2.91% on the term loan. The term loan is secured by the Galloway store shopping center.
- An unsecured \$10,000 term loan issued on September 1, 2022 repayable in equal monthly installments based on a seven-year amortization schedule through September 4, 2029 and bearing interest at the applicable SOFR plus 1.35%. An interest rate swap for a notional amount equal to the term loan fixes the base SOFR at 2.95% per annum through September 4, 2029, resulting in a fixed effective interest rate of 4.30% on the term loan. This loan qualified for an interest rate subsidy program with Wakefern on financing related to certain capital expenditure projects. Net of the subsidy, the Company will pay interest at a fixed effective rate of 2.30%.
- A secured \$7,125 term loan issued on January 27, 2023 repayable in equal monthly installments based on a fifteen-year amortization schedule through January 27, 2038 and bearing interest at the applicable SOFR plus 1.75%. An interest rate swap for a notional amount equal to the term loan fixes the base SOFR at 3.59% per annum through January 27, 2038, resulting in a fixed effective interest rate of 5.34% on the term loan. The term loan is secured by the Vineland store shopping center.

The Credit Facility also provides for up to \$25,000 of letters of credit (\$7,336 outstanding at July 27, 2024), which secure obligations for store leases and construction performance guarantees to municipalities. The Credit Facility contains covenants that, among other conditions, require a minimum tangible net worth, a minimum fixed charge coverage ratio and a maximum adjusted debt to EBITDAR ratio. The Company was in compliance with all covenants of the credit agreement at July 27, 2024. As of July 27, 2024, \$67,664 remained available under the unsecured revolving line of credit.

Based on current trends, the Company believes cash and cash equivalents on hand at July 27, 2024, operating cash flow and availability under our Credit Facility are sufficient to meet our liquidity needs for the next twelve months and for the foreseeable future beyond the next twelve months.

During fiscal 2024, Village paid cash dividends of \$13,341. Dividends in fiscal 2024 consist of \$1.00 per Class A common share and \$.65 per Class B common share.

During fiscal 2023, Village paid cash dividends of \$13,193. Dividends in fiscal 2023 consist of \$1.00 per Class A common share and \$.65 per Class B common share.

OUTLOOK

This annual report contains certain forward-looking statements about Village's future performance. These statements are based on management's assumptions and beliefs in light of information currently available. Such statements relate to, for example: economic conditions; uninsured losses; expected pension plan contributions; projected capital expenditures; expected dividend payments; cash flow requirements; inflation expectations; public health conditions; and legal matters; and are indicated by words such as "will," "expect," "should," "intend," "anticipates," "believes" and similar words or phrases. The Company cautions the reader that there is no assurance that actual results or business conditions will not differ materially from the results expressed, suggested or implied by such forward-looking statements. The Company undertakes no obligation to update forward-looking statements to reflect developments or information obtained after the date hereof.

- We expect the increase in same store sales to range from 1.0% to 3.0% in fiscal 2025.

- We have budgeted \$75,000 for capital expenditures in fiscal 2025. Planned expenditures include costs for construction of replacement stores in both East Orange, NJ and Watchung, NJ, real estate purchases, several smaller store remodels and merchandising initiatives and various technology, equipment and facility upgrades.
- The Board's current intention is to continue to pay quarterly dividends in 2025 at the most recent rate of \$.25 per Class A and \$.1625 per Class B share.
- We believe cash and cash equivalents on hand, operating cash flow and the Company's Credit Facility will be adequate to meet anticipated requirements for working capital, capital expenditures and debt payments for the foreseeable future.
- We expect our effective income tax rate in fiscal 2025 to be in the range of 31.0% - 32.0%.

Various uncertainties and other factors could cause actual results to differ from the forward-looking statements contained in this report. These include:

- The supermarket business is highly competitive and characterized by narrow profit margins. Results of operations may be materially adversely impacted by competitive pricing and promotional programs, industry consolidation and competitor store openings. Village competes directly with multiple retail formats both in-store and online, including national, regional and local supermarket chains as well as warehouse clubs, supercenters, drug stores, discount general merchandise stores, fast food chains, restaurants, dollar stores and convenience stores. Some of these competitors have greater financial resources, lower merchandise acquisition costs and lower operating expenses than we do.
- The Company's stores are concentrated in New Jersey, New York, Pennsylvania and Maryland. We are vulnerable to economic downturns in these states in addition to those that may affect the country as a whole. Results of operations may be materially adversely impacted by inflation, deflation, interest rate fluctuations, movements in energy costs, social programs, minimum wage legislation, labor shortages, changing demographics, natural disasters, terrorist attacks, the outbreak of pandemics or other illnesses, disruptions to supply chains and disturbances due to social unrest, geopolitical conflict and political instability.
- Village purchases substantially all of its merchandise from Wakefern. In addition, Wakefern provides the Company with support services in numerous areas including advertising, liability and property insurance, supplies, certain equipment purchasing, coupon processing, certain financial accounting applications, retail technology support, and other store services. Further, Village receives patronage dividends and other product incentives from Wakefern and also has demand deposits and notes receivable due from Wakefern.

Any material change in Wakefern's method of operation or a termination or material modification of Village's relationship with Wakefern could have an adverse impact on the conduct of the Company's business and could involve additional expense for Village. The failure of any Wakefern member to fulfill its obligations to Wakefern or a member's insolvency or withdrawal from Wakefern could result in increased costs to the Company. Additionally, an adverse change in Wakefern's results of operations could have an adverse effect on Village's results of operations.

- Approximately 91% of our employees are covered by collective bargaining agreements. Any work stoppages could have an adverse impact on our financial results. If we are unable to control health care and pension costs provided for in the collective bargaining agreements, we may experience increased operating costs.
- The Company could be adversely affected if consumers lose confidence in the safety and quality of the food supply chain. The real or perceived sale of contaminated food products by us could result in a loss of consumer confidence and product liability claims, which could have a material adverse effect on our sales and operations.
- Certain of the multi-employer plans to which we contribute are underfunded. As a result, we expect that contributions to these plans may increase. Additionally, the benefit levels and related items will be issues in the negotiation of our collective bargaining agreements. Under current law, an employer that withdraws or partially withdraws from a multi-employer pension plan may incur a withdrawal liability to the plan, which represents the portion of the plan's underfunding that is allocable to the withdrawing employer under very complex actuarial and allocation rules. The failure of a withdrawing employer to fund these obligations can impact remaining employers. The amount of any increase or decrease in our required contributions to these multi-employer pension plans will depend upon the outcome of collective bargaining, actions taken by trustees who manage the plans, government regulations, withdrawals by other participating employers and the actual return on assets held in the plans, among other factors.

- The Company uses a combination of insurance and self-insurance to provide for potential liability for workers' compensation, automobile, general liability, property, director and officers' liability, and certain employee health care benefits. Any projection of losses is subject to a high degree of variability. Changes in legal claims, trends and interpretations, variability in inflation rates, changes in the nature and method of claims settlement, benefit level changes due to changes in applicable laws, and insolvency of insurance carriers could all affect our financial condition, results of operations, or cash flows.
- Our long-lived assets, primarily store property, equipment and fixtures, are subject to periodic testing for impairment. Failure of our asset groups to achieve sufficient levels of cash flow could result in impairment charges on long-lived assets.
- Our goodwill and indefinite-lived intangible assets are tested at the end of each fiscal year, or more frequently if circumstances dictate, for impairment. Failure of acquired businesses to achieve their forecasted expectations could result in impairment charges to goodwill and indefinite-lived intangible assets.
- Our effective tax rate may be impacted by the results of tax examinations and changes in tax laws.
- Wakefern provides all members of the cooperative with information system support that enables us to effectively manage our business data, customer transactions, ordering, communications and other business processes. These information systems are subject to damage or interruption from power outages, computer or telecommunications failures, computer viruses and related malicious software, catastrophic weather events, or human error. Any material interruption of our or Wakefern's information systems could have a material adverse impact on our results of operations.

Due to the nature of our business, personal information about our customers, vendors and associates is received and stored in these information systems. In addition, confidential information is transmitted through our online business at shoprite.com and through the ShopRite app. Unauthorized parties may attempt to access information stored in or to sabotage or disrupt these systems. Wakefern and the Company maintain substantial security measures to prevent and detect unauthorized access to such information, including utilizing third-party service providers for monitoring our networks, security reviews, and other functions. It is possible that computer hackers, cyber terrorists and others may be able to defeat the security measures in place at the Company, Wakefern or those of third-party service providers.

Any breach of these security measures and loss of confidential information, which could be undetected for a period of time, could damage our reputation with customers, vendors and associates, cause Wakefern and Village to incur significant costs to protect any customers, vendors and associates whose personal data was compromised, cause us to make changes to our information systems and could result in government enforcement actions and litigation against Wakefern and/or Village from outside parties. Any such breach could have a material adverse impact on our operations, consolidated financial condition, results of operations, and liquidity if the related costs to Wakefern and Village are not covered or are in excess of carried insurance policies. In addition, a security breach could require Wakefern and Village to devote significant management resources to address problems created by the security breach and restore our reputation.

RELATED PARTY TRANSACTIONS

The Company holds an investment in Wakefern, its principal supplier. Village purchases substantially all of its merchandise from Wakefern in accordance with the Wakefern Stockholder Agreement. As part of this agreement, Village is required to purchase certain amounts of Wakefern common stock. At July 27, 2024, the Company's indebtedness to Wakefern for the outstanding amount of this stock subscription was \$1,662. The maximum per store investment is currently \$975. Wakefern distributes as a "patronage dividend" to each member a share of its earnings in proportion to the dollar volume of purchases by the member from Wakefern during the year. Wakefern provides the Company with support services in numerous areas including advertising, supplies, liability and property insurance, technology support and other store services. Additional information is provided in Note 3 to the consolidated financial statements.

On August 15, 2022, notes receivable due from Wakefern of \$28,850 that earned interest at the prime rate plus 1.25% matured. The Company invested all of the proceeds received in variable rate notes receivable from Wakefern that earn interest at the prime rate plus .50% and mature on August 15, 2027. On September 28, 2022, the Company invested an additional \$30,000 in variable rate notes receivable from Wakefern that earn interest at the prime rate plus .50% and mature on September 28, 2027. On February 15, 2024, notes receivable due from Wakefern of \$33,338 that earned interest at the prime rate plus .75% matured.

The Company invested all of the proceeds received in variable rate notes receivable from Wakefern that earn interest at the SOFR plus 2.25% and mature on February 15, 2029.

At July 27, 2024, the Company held variable rate notes receivable due from Wakefern of \$33,740 that earn interest at the prime rate plus .50% and mature on August 15, 2027, \$34,829 that earn interest at the prime rate plus .50% and mature on September 28, 2027, and \$34,293 that earn interest at the SOFR plus 2.25% and mature on February 15, 2029.

Wakefern has the right to prepay these notes at any time. Under certain conditions, the Company can require Wakefern to prepay the notes, although interest earned since inception would be reduced as if it was earned based on overnight money market rates as paid by Wakefern on demand deposits.

At July 27, 2024, Village had demand deposits invested at Wakefern in the amount of \$97,126. These deposits earn overnight money market rates.

The Company subleased the Vineland store from Wakefern under a sublease agreement which provided for annual rent of \$413 in fiscal 2023. The sublease contained normal periodic rent increases and options to extend the lease. The sublease agreement was terminated upon the acquisition of the Vineland store shopping center in fiscal 2023.

The Company leases a supermarket from a realty firm 30% owned by certain officers of Village. The Company paid rent to related parties under this lease of \$735 in both fiscal 2024 and 2023, respectively, and has a related lease obligation of \$1,144 at July 27, 2024. This lease expires in fiscal 2026 with options to extend at increasing annual rents.

The Company has ownership interests in four real estate partnerships. Village paid aggregate rents to three of these partnerships for leased stores of \$1,827 and \$1,568 in fiscal 2024 and 2023, respectively, and has aggregate lease obligations of \$15,733 at July 27, 2024 related to these leases.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

VILLAGE SUPER MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	July 27, 2024	July 29, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 117,261	\$ 140,910
Merchandise inventories	46,739	44,515
Patronage dividend receivable	16,068	12,466
Notes receivable from Wakefern	—	31,483
Income taxes receivable	2,252	—
Other current assets	17,382	17,313
Total current assets	<u>199,702</u>	<u>246,687</u>
Property, equipment and fixtures, net	303,217	277,310
Operating lease assets	259,764	274,100
Notes receivable from Wakefern	102,862	62,726
Investment in Wakefern	33,093	33,107
Investments in Real Estate Partnerships	19,923	13,155
Goodwill	24,190	24,190
Other assets	38,913	36,431
Total assets	<u>\$ 981,664</u>	<u>\$ 967,706</u>
LIABILITIES and SHAREHOLDERS' EQUITY		
Current Liabilities		
Operating lease obligations	\$ 21,282	\$ 20,389
Finance lease obligations	879	667
Notes payable to Wakefern	751	737
Current portion of debt	9,481	9,370
Accounts payable to Wakefern	80,902	77,033
Accounts payable and accrued expenses	28,433	31,441
Accrued wages and benefits	32,489	29,853
Income taxes payable	—	9,483
Total current liabilities	<u>174,217</u>	<u>178,973</u>
Long-term debt		
Operating lease obligations	256,091	266,683
Finance lease obligations	19,525	20,623
Notes payable to Wakefern	911	1,686
Long-term debt	62,764	72,426
Total long-term debt	<u>339,291</u>	<u>361,418</u>
Pension liabilities	5,113	4,893
Other liabilities	15,484	12,256
Commitments and Contingencies (Notes 3, 4, 5, 6, 7, 9 and 10)		
Shareholders' Equity		
Preferred stock, no par value: Authorized 10,000 shares, none issued	—	—
Class A common stock, no par value: Authorized 20,000 shares; issued 11,559 shares at July 27, 2024 and 11,563 shares at July 29, 2023	80,186	76,179
Class B common stock, no par value: Authorized 20,000 shares; issued and outstanding 4,204 shares at July 27, 2024 and 4,204 shares at July 29, 2023	683	683
Retained earnings	380,618	343,497
Accumulated other comprehensive income	6,579	8,134
Less treasury stock, Class A, at cost: 999 shares at July 27, 2024 and 912 shares at July 29, 2023	(20,507)	(18,327)
Total shareholders' equity	<u>447,559</u>	<u>410,166</u>
Total liabilities and shareholders' equity	<u>\$ 981,664</u>	<u>\$ 967,706</u>

See notes to consolidated financial statements.

VILLAGE SUPER MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share amounts)

	Years ended	
	July 27, 2024	July 29, 2023
Sales	\$ 2,236,566	\$ 2,166,654
Cost of sales	1,594,591	1,550,204
Gross profit	641,975	616,450
Operating and administrative expense	544,348	516,902
Depreciation and amortization	33,449	34,002
Impairment of assets	2,125	—
Operating income	62,053	65,546
Interest expense	(4,135)	(4,220)
Interest income	14,799	11,399
Income before income taxes	72,717	72,725
Income taxes	22,255	23,009
Net income	<u><u>\$ 50,462</u></u>	<u><u>\$ 49,716</u></u>
Net income per share:		
Class A common stock:		
Basic	\$ 3.78	\$ 3.78
Diluted	\$ 3.40	\$ 3.38
Class B common stock:		
Basic	\$ 2.46	\$ 2.45
Diluted	\$ 2.46	\$ 2.45

See notes to consolidated financial statements.

VILLAGE SUPER MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Years ended	
	July 27, 2024	July 29, 2023
Net income	\$ 50,462	\$ 49,716
Other comprehensive income:		
Unrealized (loss) gain on interest rate swaps, net of tax (1)	(1,373)	2,308
Amortization of pension actuarial gain, net of tax (2)	(379)	(342)
Pension remeasurement, net of tax (3)	197	9
Pension settlement loss, net of tax (4)	—	24
Total other comprehensive (loss) income	<u>(1,555)</u>	<u>1,999</u>
Comprehensive income	<u><u>\$ 48,907</u></u>	<u><u>\$ 51,715</u></u>

(1) Amounts are net of tax of \$ 406 and \$ 807 for 2024 and 2023, respectively.

(2) Amounts are net of tax of \$ 59 and \$ 214 for 2024 and 2023, respectively. All amounts are reclassified from accumulated other comprehensive income to operating and administrative expense.

(3) Amounts are net of tax of \$ 31 and \$ 6 for 2024 and 2023, respectively.

(4) Amount is net of tax of \$ 15 for 2023. All amounts are reclassified from accumulated other comprehensive loss to operating and administrative expense.

See notes to consolidated financial statements.

VILLAGE SUPER MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
 (In thousands)

Years ended July 27, 2024 and July 29, 2023

	Class A Common Stock		Class B Common Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock Class A		Total Shareholders' Equity
	Shares Issued	Amount	Shares Issued	Amount			Shares	Amount	
Balance, July 30, 2022	10,971	\$ 72,891	4,294	\$ 697	\$ 306,974	\$ 6,135	750	\$ (14,588)	\$ 372,109
Net income	—	—	—	—	49,716	—	—	—	49,716
Other comprehensive loss, net of tax of \$ 614	—	—	—	—	—	1,999	—	—	1,999
Dividends	—	—	—	—	(13,193)	—	—	—	(13,193)
Treasury stock purchases	—	—	—	—	—	—	162	(3,739)	(3,739)
Restricted shares forfeited	(10)	(47)	—	—	—	—	—	—	(47)
Share-based compensation expense	512	3,321	—	—	—	—	—	—	3,321
Conversion of Class B shares to Class A shares	90	14	(90)	(14)	—	—	—	—	—
Balance, July 29, 2023	11,563	\$ 76,179	4,204	\$ 683	\$ 343,497	\$ 8,134	912	\$ (18,327)	\$ 410,166
Net income	—	—	—	—	50,462	—	—	—	50,462
Other comprehensive income, net of tax of \$ 434	—	—	—	—	—	(1,555)	—	—	(1,555)
Dividends	—	—	—	—	(13,341)	—	—	—	(13,341)
Exercise of stock options	—	14	—	—	—	—	(2)	31	45
Treasury stock purchases	—	—	—	—	—	—	89	(2,211)	(2,211)
Restricted shares forfeited	(28)	(141)	—	—	—	—	—	—	(141)
Share-based compensation expense	24	4,134	—	—	—	—	—	—	4,134
Balance, July 27, 2024	<u>11,559</u>	<u>\$ 80,186</u>	<u>4,204</u>	<u>\$ 683</u>	<u>\$ 380,618</u>	<u>\$ 6,579</u>	<u>999</u>	<u>\$ (20,507)</u>	<u>\$ 447,559</u>

See notes to consolidated financial statements.

VILLAGE SUPER MARKET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years ended	
	July 27, 2024	July 29, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 50,462	\$ 49,716
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	35,461	35,711
Non-cash share-based compensation	3,993	3,274
Deferred taxes	(170)	(2,088)
Provision to value inventories at LIFO	551	2,622
Impairment of assets	2,125	—
(Gain) Loss on sale of assets	(233)	257
Changes in assets and liabilities:		
Merchandise inventories	(2,775)	(2,947)
Patronage dividend receivable	(3,602)	(227)
Accounts payable to Wakefern	1,690	928
Accounts payable and accrued expenses	(1,209)	4,436
Accrued wages and benefits	2,636	2,632
Income taxes receivable / payable	(11,760)	9,737
Other assets and liabilities	3,680	462
Net cash provided by operating activities	<u>80,849</u>	<u>104,513</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(63,113)	(46,400)
Proceeds from the sale of assets	233	262
Investment in notes receivable from Wakefern	(41,991)	(65,275)
Investment in real estate partnerships	(6,480)	(5,865)
Maturity of notes receivable from Wakefern	33,338	28,850
Net cash used in investing activities	<u>(78,013)</u>	<u>(88,428)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of stock options	45	—
Excess tax benefit related to share-based compensation	25	279
Proceeds from issuance of long-term debt	—	17,125
Principal payments of long-term debt	(11,003)	(10,446)
Debt issuance costs	—	(33)
Dividends	(13,341)	(13,193)
Treasury stock purchases, including shares surrendered for withholding taxes	(2,211)	(3,739)
Net cash used in financing activities	<u>(26,485)</u>	<u>(10,007)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(23,649)	6,078
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	140,910	134,832
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 117,261	\$ 140,910
SUPPLEMENTAL DISCLOSURES OF CASH PAYMENTS MADE FOR:		
Interest	\$ 4,135	\$ 4,220
Income taxes	34,160	15,080
NONCASH SUPPLEMENTAL DISCLOSURES:		
Investment in Wakefern and increase in notes payable to Wakefern	\$ 31	\$ —
Capital expenditures included in accounts payable and accrued expenses	\$ 5,972	\$ 5,591

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in thousands, except per share data).

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

Village Super Market, Inc. (the "Company" or "Village") operates a chain of 34 supermarkets under the ShopRite and Fairway names in New Jersey, Maryland, New York and eastern Pennsylvania and three specialty markets under the Gourmet Garage name in New York City. The Company is a member of Wakefern Food Corporation ("Wakefern"), the nation's largest retailer-owned food cooperative and owner of the ShopRite, Fairway and Gourmet Garage names. This relationship provides Village many of the economies of scale in purchasing, distribution, store and own branded products, advanced retail technology, marketing and advertising associated with chains of greater size and geographic coverage.

Principles of consolidation

The consolidated financial statements include the accounts of Village Super Market, Inc. and its subsidiaries, which are wholly owned. Intercompany balances and transactions have been eliminated.

Fiscal year

The Company and its subsidiaries utilize a 52-53 week fiscal year ending on the last Saturday in the month of July. Fiscal 2024 and 2023 contain 52 weeks.

Use of estimates

In conformity with U.S. generally accepted accounting principles, management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates are patronage dividends, accounting for contingencies, accounting for derivative instruments and hedging activities, and the impairment of long-lived assets, goodwill and indefinite-lived intangible assets. Actual results could differ from those estimates.

Industry segment

The Company consists of one operating segment, the retail sale of food and nonfood products.

Revenue recognition

Revenue is recognized at the point of sale to the customer, including Pharmacy sales. Digital channel sales are recognized either upon pickup in-store or upon delivery to the customer, including any related service revenues. Sales tax is excluded from revenue.

Discounts provided to customers through store coupons and loyalty programs are recognized as a reduction of sales as products are sold. Discounts provided to customers by vendors are not recognized as a reduction in sales. Rather, the Company records a receivable from the vendor for the difference in sales price and payment received from the customer.

The Company does not recognize revenue when it sells gift cards redeemable at Wakefern member stores. Payment collected from customers for sale of these gift cards is passed on to Wakefern as they can be redeemed at other locations, including those operated by Wakefern or other Wakefern members. Revenue is recognized and a receivable from Wakefern is recorded when a customer redeems these gift cards to purchase products or services at the Company's stores.

Disaggregated Revenues

The following table presents the Company's sales by product categories during each of the periods indicated:

	Years Ended			
	July 27, 2024		July 29, 2023	
	Amount	%	Amount	%
Center Store (1)	\$ 1,337,512	59.8 %	\$ 1,300,061	60.0 %
Fresh (2)	809,959	36.2 %	787,770	36.4 %
Pharmacy	82,276	3.7 %	71,749	3.3 %
Other (3)	6,819	0.3 %	7,074	0.3 %
Total Sales	\$ 2,236,566	100.0 %	\$ 2,166,654	100.0 %

(1) Consists primarily of grocery, dairy, frozen, health and beauty care, general merchandise and liquor.

(2) Consists primarily of produce, meat, deli, seafood, bakery, prepared foods and floral.

(3) Consists primarily of sales related to other income streams, including service fees related to digital sales, gift card and lottery commissions and wholesale sales.

Cost of sales

Cost of sales consists of costs of inventory, inbound freight charges, and production costs at the Company's centralized commissary, including materials, labor and overhead. Depreciation expense of \$ 2,012 and \$ 1,709 related to the centralized commissary is included in cost of sales in fiscal 2024 and 2023, respectively.

The Company receives vendor allowances and rebates, including the patronage dividend and amounts received as a pass through from Wakefern, related to the Company's buying and merchandising activities. Vendor allowances and rebates are recognized as a reduction in cost of sales when the related merchandise is sold or when the required contractual terms are completed.

Shipping and handling costs associated with the Company's digital sales are included in operating and administrative expense.

Operating and administrative expense

Operating and administrative expenses consists primarily of store and corporate costs, including employee salaries, wages, company-sponsored and multi-employer health and welfare, pension, and defined contribution benefits, supplies, advertising, utilities, facility repairs and maintenance, rent, occupancy costs and administrative expenses.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Included in cash and cash equivalents are proceeds due from credit and debit card transactions, which typically settle within five business days, of \$ 11,938 and \$ 11,891 at July 27, 2024 and July 29, 2023, respectively. Included in cash and cash equivalents at July 27, 2024 and July 29, 2023 are \$ 97,126 and \$ 122,028 , respectively, of demand deposits invested at Wakefern at overnight money market rates.

Merchandise inventories

At July 27, 2024 and July 29, 2023, approximately 64 % of merchandise inventories are stated at the lower of LIFO (last-in, first-out) cost or market. If the FIFO (first-in, first-out) method had been used, inventories would have been \$ 21,789 and \$ 21,238 higher than reported in fiscal 2024 and 2023, respectively. All other inventories are stated at the lower of FIFO cost or market.

Property, equipment and fixtures

Property, equipment and fixtures are recorded at cost. Interest cost incurred to finance construction is capitalized as part of the cost of the asset. Maintenance and repairs are expensed as incurred.

Depreciation is provided on a straight-line basis over estimated useful lives of thirty years for buildings, five to seven years for store fixtures and equipment, and three to seven years for computer equipment and software, shopping carts and vehicles. Leasehold improvements are amortized over the shorter of the related lease terms or the estimated useful lives of the related assets.

When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the consolidated financial statements.

Investments

The Company's investments in its principal supplier, Wakefern, and a Wakefern affiliate, Insure-Rite, Ltd., are stated at cost (see Note 3). Village evaluates its investments in Wakefern and Insure-Rite, Ltd. for impairment through consideration of previous, current and projected levels of profit of those entities.

The Company's 20%-50% investments in certain real estate partnerships are accounted for under the equity method. One of these partnerships is a variable interest entity which does not require consolidation as Village is not the primary beneficiary (see Note 7).

Store opening and closing costs

All store opening costs are expensed as incurred. The Company records a liability for the future minimum lease payments and related costs for closed stores from the date of closure to the end of the remaining lease term, net of estimated cost recoveries that may be achieved through subletting, discounted using a risk-adjusted interest rate.

Leases

The Company determines if an arrangement is a lease at inception, and recognizes a finance and operating lease liability and asset for all leases with terms of more than 12 months at the lease commencement date. Finance and operating lease liabilities represent the present value of minimum lease payments not yet paid. For purposes of measuring the present value of its fixed payment obligations for a given lease, the Company uses its incremental borrowing rate as the discount rate implicit within its leases is generally not determinable. The Company's incremental borrowing rate reflects the rate it would pay to borrow on a secured basis, and incorporates the term and economic environment of the lease. Each renewal option is evaluated when recognizing the lease right-of-use assets and liabilities, and the Company utilizes the lease term for which it is reasonably certain to use the underlying asset. The Company is obligated under all leases to pay for real estate taxes, utilities and liability insurance, and under certain leases to pay additional amounts based on maintenance and a percentage of sales in excess of stipulated amounts. The Company accounts for rent holidays, escalating rent provisions, and construction allowances related to operating leases in rent expense on a straight-line basis over the term of the lease. Finance lease payments are charged to interest expense and depreciation and amortization expense over the lease term. Additional information on leases is provided in Note 7.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$ 12,174 and \$ 10,658 in fiscal 2024 and 2023, respectively.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

The Company recognizes a tax benefit for uncertain tax positions if it is "more likely than not" that the position is sustainable, based on its technical merits. The tax benefit of a qualifying position is the largest amount of tax benefit that is greater than 50% likely of being realized upon effective settlement with a taxing authority having full knowledge of all relevant information.

Derivative Instruments and Hedging Activities

The Company records all derivatives on the balance sheet at fair value. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows are considered cash flow hedges. The Company records changes in the fair value of its interest rate swap contracts to Accumulated other comprehensive income, net of taxes, as the Company has elected to designate its swaps as cash flow hedges and apply hedge accounting when the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Additional information on derivative and hedging activities is provided in Note 5.

Fair value

Fair value is defined as the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that should be determined using assumptions that market participants would use in pricing an asset or liability. The fair value guidance establishes a three-level hierarchy to prioritize the inputs used in measuring fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability.

Cash and cash equivalents, patronage dividend receivable, income taxes receivable/payable, accounts payable and accrued expenses are reflected in the consolidated financial statements at carrying value, which approximates fair value because of the short-term maturity of these instruments. The carrying values of the Company's notes receivable from Wakefern approximate their fair value as interest is earned at variable market rates. As the Company's investment in Wakefern can only be sold to Wakefern at amounts that approximate the Company's cost, it is not practicable to estimate the fair value of such investment.

Long-lived assets

The Company reviews the carrying values of its long-lived assets, such as property, equipment and fixtures and operating lease assets on an individual store basis for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Factors considered by the Company that could result in an impairment triggering event include a current period operating or cash flow loss, underperformance of a store relative to historical or expected operating results, and significant negative industry or economic trends. If an impairment triggering event is identified, the Company analyzes the undiscounted estimated future net cash flows from asset groups at the store level to determine if the carrying value of such assets are recoverable from their respective cash flows. If impairment is indicated, it is measured by comparing the fair value of the long-lived asset groups to their carrying value.

In Fiscal 2024, the Company recognized an impairment charge of \$ 2,125 related to the closure of the automated micro-fulfillment center in south NJ.

Goodwill and indefinite-lived intangible assets

Goodwill and indefinite-lived intangible assets are tested at the end of each fiscal year, or more frequently if circumstances dictate, for impairment. The Company's indefinite-lived intangible assets balance of \$ 13,299 as of July 27, 2024 and July 29, 2023 are related to the Fairway and Gourmet Garage trade names. An impairment loss is recognized to the extent that the carrying amount of goodwill and indefinite-lived intangible assets exceeds its implied fair value. Village considers earnings multiples and other valuation techniques to measure fair value of goodwill at the reporting unit level, in addition to the value of the Company's stock. The fair value of trade names are estimated based on the discounted cash flow model using the relief from royalty method.

Net income per share

The Company has two classes of common stock. Class A common stock is entitled to cash dividends as declared 54 % greater than those paid on Class B common stock. Shares of Class B common stock are convertible on a share-for-share basis for Class A common stock at any time.

The Company utilizes the two-class method of computing and presenting net income per share. The two-class method is an earnings allocation formula that calculates basic and diluted net income per share for each class of common stock separately based on dividends declared and participation rights in undistributed earnings. Under the two-class method, Class A common stock is assumed to receive a 54 % greater participation in undistributed earnings than Class B common stock, in accordance with the classes' respective dividend rights. Unvested share-based payment awards that contain nonforfeitable rights to dividends are treated as participating securities and therefore included in computing net income per share using the two-class method.

Diluted net income per share for Class A common stock is calculated utilizing the if-converted method, which assumes the conversion of all shares of Class B common stock to Class A common stock on a share-for-share basis, as this method is more dilutive than the two-class method. Diluted net income per share for Class B common stock does not assume conversion of Class B common stock to shares of Class A common stock.

The table below reconciles Net income to Net income available to Class A and Class B shareholders:

	Years ended	
	July 27, 2024	July 29, 2023
Net income	\$ 50,462	\$ 49,716
Distributed and allocated undistributed Net income to unvested restricted shareholders	1,866	1,590
Net income available to Class A and Class B shareholders	<u>\$ 48,596</u>	<u>\$ 48,126</u>

The tables below reconcile the numerators and denominators of basic and diluted net income per share for all periods presented.

Numerator:	Years ended			
	July 27, 2024		July 29, 2023	
	Class A	Class B	Class A	Class B
Net income allocated, basic	\$ 38,260	\$ 10,336	\$ 37,639	\$ 10,487
Conversion of Class B to Class A shares	10,336	—	10,487	—
Net income allocated, diluted	<u>\$ 48,596</u>	<u>\$ 10,336</u>	<u>\$ 48,126</u>	<u>\$ 10,487</u>

Denominator:	Years ended			
	July 27, 2024		July 29, 2023	
	Class A	Class B	Class A	Class B
Weighted average shares outstanding, basic	10,109	4,204	9,949	4,281
Conversion of Class B to Class A shares	4,204	—	4,281	—
Weighted average shares outstanding, diluted	<u>14,313</u>	<u>4,204</u>	<u>14,230</u>	<u>4,281</u>

Net income per share is as follows:

	Years ended			
	July 27, 2024		July 29, 2023	
	Class A	Class B	Class A	Class B
Basic	\$ 3.78	\$ 2.46	\$ 3.78	\$ 2.45
Diluted	\$ 3.40	\$ 2.46	\$ 3.38	\$ 2.45

Outstanding stock options to purchase Class A shares of 88 were excluded from the calculation of diluted net income per share at July 29, 2023 as a result of their anti-dilutive effect. In addition, 456 and 503 non-vested restricted Class A shares, which are considered participating securities, and their allocated net income were excluded from the diluted net income per share calculation at July 27, 2024 and July 29, 2023, respectively, due to their anti-dilutive effect.

Share-based compensation

All share-based payments to employees are recognized in the financial statements as compensation costs based on the fair market value on the date of the grant.

Benefit plans

The Company recognizes the funded status of its Company sponsored retirement plans on the consolidated balance sheet. Actuarial gains or losses, curtailments, prior service costs or credits, and transition obligations not previously recognized are recorded as a component of Accumulated other comprehensive income. The Company uses July 31 as the measurement date for these plans.

The Company also contributes to several multi-employer pension plans under the terms of collective bargaining agreements that cover certain union-represented employees. Pension expense for these plans is recognized as contributions are made.

Recently issued accounting standards

The Company monitors accounting standards recently issued by the FASB to assess their impact on the consolidated financial statements, if any. There were no recently issued accounting standards that will have a material impact on our consolidated financial statements.

NOTE 2 — PROPERTY, EQUIPMENT and FIXTURES

Property, equipment and fixtures are comprised as follows:

	July 27, 2024	July 29, 2023
Land and buildings	\$ 154,932	\$ 142,000
Store fixtures and equipment	375,256	360,335
Leasehold improvements	218,570	193,113
Leased property under finance leases	25,211	25,211
Construction in progress	12,422	14,034
Vehicles	1,448	2,150
 Total property, equipment and fixtures	 787,839	 736,843
Accumulated depreciation	(469,375)	(445,234)
Accumulated amortization of property under finance leases	(15,247)	(14,299)
 Property, equipment and fixtures, net	 \$ 303,217	 \$ 277,310

Amortization of leased property under finance leases is included in depreciation and amortization expense.

NOTE 3 — RELATED PARTY INFORMATION - WAKEFERN

The Company's ownership interest in its principal supplier, Wakefern, which is operated on a cooperative basis for its stockholder members, is 12.8 % of the outstanding shares of Wakefern at July 27, 2024. The investment is stated at cost and is pledged as collateral for any obligations to Wakefern. In addition, all obligations to Wakefern are personally guaranteed by certain shareholders of Village.

The Company is obligated to purchase 85 % of its primary merchandise requirements from Wakefern until ten years from the date that stockholders representing 75 % of Wakefern sales notify Wakefern that those stockholders request that the Wakefern Stockholder Agreement be terminated. If this purchase obligation is not met, Village is required to pay Wakefern's profit contribution shortfall attributable to this failure. Similar payments are due if Wakefern loses volume by reason of the sale of Company stores or a merger with another entity. Village fulfilled the above obligation in fiscal 2024 and 2023. The Company also has an investment of approximately 8.9 % in Insure-Rite, Ltd., a Wakefern affiliated company, which provides Village with liability and property insurance coverage.

Wakefern has increased from time to time the required investment in its common stock for each supermarket owned by a member, with the exact amount per store computed based on the amount of each store's purchases from Wakefern. At July 27, 2024, the Company's indebtedness to Wakefern for the outstanding amount of these stock subscriptions was \$ 1,662 . Installment payments are due as follows: 2025 - \$ 751 ; 2026 - \$ 534 ; 2027 - \$ 352 ; 2028 - \$ 25 ; and \$ 0 thereafter. The maximum per store investment remained \$ 975 in fiscal 2024. Village receives additional shares of common stock to the extent paid for at the end of each fiscal year (which ends on or about September 30) of Wakefern calculated at the then book value per share. The payments, together with any stock issued thereunder, at the option of Wakefern, may be null and void and all payments on this subscription shall become the property of Wakefern in the event the Company does not complete the payment of this subscription in a timely manner.

Village purchases substantially all of its merchandise from Wakefern. As a stockholder of Wakefern, Village earns a share of Wakefern's earnings, which are distributed as a "patronage dividend." This dividend is based on a distribution of substantially all of Wakefern's operating profits for its fiscal year in proportion to the dollar volume of purchases by each member from Wakefern during that fiscal year. Patronage dividends are recorded as a reduction of cost of sales as merchandise is sold. Village accrues estimated patronage dividends due from Wakefern quarterly based on an estimate of the annual Wakefern patronage dividend and an estimate of Village's share of this annual dividend based on Village's estimated proportional share of the dollar volume of business transacted with Wakefern that year. Patronage dividends and other vendor allowances and rebates amounted to \$ 46,302 and \$ 43,967 in fiscal 2024 and 2023, respectively.

Wakefern provides the Company with support services in numerous areas including advertising, liability and property insurance, supplies, certain equipment purchasing, coupon processing, certain financial accounting applications, retail technology support, and other store services. Village incurred charges of \$ 42,459 and \$ 42,678 from Wakefern in fiscal 2024 and 2023, respectively, for non-merchandise products and services, which are reflected in operating and administrative expense in the consolidated statements of operations. Additionally, the Company has certain related party leases (see Note 7) with Wakefern.

On August 15, 2022, notes receivable due from Wakefern of \$ 28,850 that earned interest at the prime rate plus 1.25 % matured. The Company invested all of the proceeds received in variable rate notes receivable from Wakefern that earn interest at the prime rate plus .50 % and mature on August 15, 2027. On September 28, 2022, the Company invested an additional \$ 30,000 in variable rate notes receivable from Wakefern that earn interest at the prime rate plus .50 % and mature on September 28, 2027. On February 15, 2024, notes receivable due from Wakefern of \$ 33,338 that earned interest at the prime rate plus .75 % matured. The Company invested all of the proceeds received in variable rate notes receivable from Wakefern that earn interest at the SOFR plus 2.25 % and mature on February 15, 2029.

At July 27, 2024, the Company held variable rate notes receivable due from Wakefern of \$ 33,740 that earn interest at the prime rate plus .50 % and mature on August 15, 2027, \$ 34,829 that earn interest at the prime rate plus .50 % and mature on September 28, 2027 and \$ 34,293 that earn interest at the SOFR plus 2.25 % and mature on February 15, 2029.

Wakefern has the right to prepay these notes at any time. Under certain conditions, the Company can require Wakefern to prepay the notes, although interest earned since inception would be reduced as if it was earned based on overnight money market rates as paid by Wakefern on demand deposits.

At July 27, 2024, the Company had demand deposits invested at Wakefern in the amount of \$ 97,126 . These deposits earn overnight money market rates.

Interest income earned on investments with Wakefern was \$ 14,717 and \$ 11,295 in fiscal 2024 and 2023, respectively.

NOTE 4 — DEBT

Long-term debt consists of:

	July 27, 2024	July 29, 2023
Secured term loan	\$ 49,646	\$ 53,912
Unsecured term loan	17,662	22,702
New Market Tax Credit Financing	4,937	5,182
 Total debt, excluding obligations under leases	 72,245	 81,796
Less current portion	9,481	9,370
 Total long-term debt, excluding obligations under leases	 \$ 62,764	 \$ 72,426

Credit Facility

The Company has a credit facility (the "Credit Facility") with Wells Fargo National Bank, National Association ("Wells Fargo"). The principal purpose of the Credit Facility is to finance general corporate and working capital requirements, Village's fiscal 2020 acquisition of certain Fairway assets and certain capital expenditures. Among other things, the Credit Facility provides for:

- An unsecured revolving line of credit providing a maximum amount available for borrowing of \$ 75,000 . Indebtedness under this agreement bears interest at the applicable Secured Overnight Financing Rate ("SOFR") plus 1.10 % and expires on May 6, 2025.
- An unsecured \$ 25,500 term loan issued on May 12, 2020, repayable in equal monthly installments based on a seven-year amortization schedule through May 4, 2027 and bearing interest at the applicable SOFR plus 1.46 %. An interest rate swap with notional amounts equal to the term loan fixes the base SOFR at .26 % per annum through May 4, 2027, resulting in a fixed effective interest rate of 1.72 % on the term loan.
- A secured \$ 50,000 term loan issued on September 1, 2020 repayable in equal monthly installments based on a fifteen-year amortization schedule through September 1, 2035 and bearing interest at the applicable SOFR plus 1.61 %. An interest rate swap with notional amounts equal to the term loan fixes the base SOFR at .57 % per annum through September 1, 2035, resulting in a fixed effective interest rate of 2.18 % on the term loan. The term loan is secured by real properties of Village Super Market, Inc. and its subsidiaries, including the sites of three Village stores.
- A secured \$ 7,350 term loan issued on January 28, 2022 repayable in equal monthly installments based on a fifteen-year amortization schedule through January 28, 2037 and bearing interest at the applicable SOFR plus 1.50 %. An interest rate swap for a notional amount equal to the term loan fixes the base SOFR at 1.41 % per annum through January 28, 2037, resulting in a fixed effective interest rate of 2.91 % on the term loan. The term loan is secured by the Galloway store shopping center.
- An unsecured \$ 10,000 term loan issued on September 1, 2022 repayable in equal monthly installments based on a seven-year amortization schedule through September 4, 2029 and bearing interest at the applicable SOFR plus 1.35 %. An interest rate swap for a notional amount equal to the term loan fixes the base SOFR at 2.95 % per annum through September 4, 2029, resulting in a fixed effective interest rate of 4.30 % on the term loan. This loan qualified for an interest rate subsidy program with Wakefern on financing related to certain capital expenditure projects. Net of the subsidy, the Company will pay interest at a fixed effective rate of 2.30 %.
- A secured \$ 7,125 term loan issued on January 27, 2023 repayable in equal monthly installments based on a fifteen-year amortization schedule through January 27, 2038 and bearing interest at the applicable SOFR plus 1.75 %. An interest rate swap for a notional amount equal to the term loan fixes the base SOFR at 3.59 % per annum through January 27, 2038, resulting in a fixed effective interest rate of 5.34 % on the term loan. The term loan is secured by the Vineland store shopping center.

The Credit Facility also provides for up to \$ 25,000 of letters of credit (\$ 7,336 outstanding at July 27, 2024), which secure obligations for store leases and construction performance guarantees to municipalities. The Credit Facility contains covenants that, among other conditions, require a minimum tangible net worth, a minimum fixed charge coverage ratio and a maximum adjusted debt to EBITDAR ratio. The Company was in compliance with all covenants of the credit agreement at July 27, 2024. As of July 27, 2024, \$ 67,664 remained available under the unsecured revolving line of credit.

The carrying values of the Company's long-term debt related to the Company's Credit Facility approximate their fair value as interest is charged at variable market rates. The estimated fair values of the Company's long-term debt are based on Level 2 inputs.

New Markets Tax Credit

On December 29, 2017, the Company entered into a financing transaction with Wells Fargo Community Investment Holdings, LLC ("Wells Fargo") under a qualified New Markets Tax Credit ("NMTC") program related to the construction of a new store in the Bronx, New York. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 (the "Act") and is intended to induce capital investment in qualified lower income communities. The Act permits taxpayers to claim credits against their Federal income taxes for up to 39% of qualified investments in the equity of community development entities ("CDEs"). CDEs are privately managed investment institutions that are certified to make qualified low-income community investments.

In connection with the financing, the Company loaned \$ 4,835 to VSM Investment Fund, LLC (the "Investment Fund") at an interest rate of 1.403 % per year and with a maturity date of December 31, 2044. Repayments on the loan commence in March 2025. Wells Fargo contributed \$ 2,375 to the Investment Fund and, by virtue of such contribution, is entitled to substantially all of the tax benefits derived from the NMTC. The Investment Fund is a wholly owned subsidiary of Wells Fargo. The loan to the Investment Fund is recorded in other assets in the consolidated balance sheets.

The Investment Fund then contributed the proceeds to a CDE, which, in turn, loaned combined funds of \$ 6,563 , net of debt issuance costs, to Village Super Market of NY, LLC, a wholly-owned subsidiary of the Company, at an interest rate of 1.000 % per year with a maturity date of December 31, 2051. These loans are secured by the leasehold improvements and equipment related to the construction of the Bronx store. Repayment of the loans commences in March 2025. The proceeds of the loans from the CDE were used to partially fund the construction of the Bronx store. The Notes payable related to New Markets Tax Credit, net of debt issuance costs, are recorded in long-term debt in the consolidated balance sheets.

The NMTC is subject to 100% recapture for a period of seven years. The Company is required to be in compliance with various regulations and contractual provisions that apply to the New Markets Tax Credit arrangement. Noncompliance could result in Wells Fargo's projected tax benefits not being realized and, therefore, require the Company to indemnify Wells Fargo for any loss or recapture of NMTCs. The Company does not anticipate any credit recapture will be required in connection with this financing arrangement. The transaction includes a put/call provision whereby the Company may be obligated or entitled to repurchase Wells Fargo's interest in the Investment Fund. The value attributed to the put/call is de minimis. We believe that Wells Fargo will exercise the put option in December 2024, at the end of the recapture period, that will result in a net benefit to the Company of \$ 1,728 . The Company is recognizing the net benefit over the seven-year compliance period in operating and administrative expense.

NOTE 5 — DERIVATIVES AND HEDGING ACTIVITIES

The Company is exposed to interest rate risk arising from fluctuations in SOFR related to the Company's Credit Facility. The Company manages exposure to this risk and the variability of related cash flows primarily by the use of derivative financial instruments, specifically, interest rate swaps.

The Company's objectives in using interest rate swaps are to add stability to interest expense and to manage its exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

As of July 27, 2024, the Company had five interest rate swaps with an aggregate initial notional value of \$ 99,975 to hedge the variable cash flows associated with variable-rate loans under the Company's Credit Facility. The interest rate swaps were executed for risk management and are not held for trading purposes. The objective of the interest rate swaps is to hedge the variability of cash flows resulting from fluctuations in the reference rate. The swaps replaced the applicable reference rate with fixed interest rates and payments are settled monthly when payments are made on the variable-rate loans. The Company's

derivatives qualify and have been designated as cash flow hedges of interest rate risk. The gain or loss on the derivative is recorded in Accumulated other comprehensive income and subsequently reclassified into interest expense in the same period during which the hedged transaction affects earnings. Amounts reported in Accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the variable-rate loans. The Company reclassified \$ 3,027 and \$ 2,179 during the fiscal years ended July 27, 2024 and July 29, 2023, respectively, from Accumulated other comprehensive income to Interest expense.

The notional value of the interest rate swaps were \$ 67,543 as of July 27, 2024. The fair value of interest rate swaps are included in the following captions on the consolidated balance sheets at July 27, 2024 and July 29, 2023:

	July 27, 2024	July 29, 2023
Other assets	7,356	9,135

The fair values of the Company's interest rate swaps are based on Level 2 inputs, including the present value of estimated future cash flows based on market expectations of the yield curve on variable interest rates.

NOTE 6 — INCOME TAXES

The components of the provision for income taxes are:

	Years ended	
	July 27, 2024	July 29, 2023
Federal:		
Current	\$ 12,348	\$ 14,749
Deferred	1,148	(1,274)
State:		
Current	10,077	10,348
Deferred	(1,318)	(814)
	<hr/> <u>\$ 22,255</u>	<hr/> <u>\$ 23,009</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	July 27, 2024	July 29, 2023
Deferred tax assets:		
Lease liabilities	\$ 91,188	\$ 89,638
Compensation related costs	5,513	4,705
Pension costs	1,691	1,544
Other	814	730
Total deferred tax assets	99,206	96,617
Deferred tax liabilities:		
Tax over book depreciation	21,947	20,242
Lease assets	81,404	81,676
Patronage dividend receivable	4,615	3,457
Investment in partnerships	775	1,107
Other	2,794	3,079
Total deferred tax liabilities	111,535	109,561
Net deferred tax liability	\$ (12,329)	\$ (12,944)

Deferred income tax assets (liabilities) are included in the following captions on the consolidated balance sheets at July 27, 2024 and July 29, 2023:

	July 27, 2024	July 29, 2023
Other assets	2,584	1,245
Other liabilities	(14,913)	(14,189)

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax assets will not be realized. In management's opinion, in view of the Company's previous, current and projected taxable income and reversal of deferred tax liabilities, such tax assets will more likely than not be fully realized. Accordingly, no valuation allowance was deemed to be required at July 27, 2024 and July 29, 2023.

The effective income tax rate differs from the statutory federal income tax rate as follows:

	Years ended	
	July 27, 2024	July 29, 2023
Statutory federal income tax rate	21.0 %	21.0 %
State income taxes, net of federal tax benefit	10.2 %	9.9 %
Other	(0.6)%	0.7 %
Effective income tax rate	30.6 %	31.6 %

The Company is not currently under audit by any tax authorities, but is open to examination with varying statutes of limitations, generally ranging from three to four years.

NOTE 7 — LEASES

Description of leasing arrangements

The Company leases 30 retail stores, as well as a commissary, the corporate headquarters and equipment at July 27, 2024. The majority of initial lease terms range from 20 to 30 years. Most of the Company's leases contain renewal options at increased rents of five years each at the Company's sole discretion. These options enable Village to retain the use of facilities in desirable operating areas.

The composition of total lease cost is as follows:

	Consolidated Statement of Operations Classification	Years ended	
		July 27, 2024	July 29, 2023
Operating lease cost	Operating and administrative expense	\$ 36,989	\$ 36,146
Finance lease cost			
Amortization of leased assets	Depreciation and amortization	947	947
Interest on lease liabilities	Interest expense	1,802	1,874
Variable lease cost	Operating and administrative expense	22,044	21,275
Total lease cost		\$ 61,782	\$ 60,242

As of July 27, 2024 and July 29, 2023, finance lease right-of-use assets of \$ 9,964 and \$ 10,912 , respectively, are included in property, equipment and fixtures, net in the Company's consolidated balance sheet. Maturities of operating and finance lease liabilities, including options to extend lease terms that are reasonably certain of being exercised. The Company's lease liabilities mature as follows as of July 27, 2024:

	Operating leases	Finance leases	Total
2025	\$ 32,806	\$ 2,601	\$ 35,407
2026	35,194	2,893	38,087
2027	34,781	2,893	37,674
2028	33,380	2,893	36,273
2029	32,294	2,893	35,187
Thereafter	189,437	17,507	206,944
Total lease payments	357,892	31,680	389,572
Less amount representing interest	80,519	11,276	91,795
Present value of lease liabilities	\$ 277,373	\$ 20,404	\$ 297,777

The Company has approximately \$ 21,359 of future payment obligations related to lease agreements that have not yet commenced but have been executed as of July 27, 2024.

As of July 27, 2024, the Company's lease terms and discount rates are as follows:

	July 27, 2024	July 29, 2023
Weighted-average remaining lease term (years)		
Operating leases	12.0	12.6
Finance leases	11.5	12.4
Weighted-average discount rate		
Operating leases	4.3 %	4.2 %
Finance leases	8.5 %	8.5 %

Supplemental cash flow information related to leases is as follows:

	Years ended	
	July 27, 2024	July 29, 2023
Cash paid for amounts in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 35,618	\$ 34,442
Operating cash flows from finance leases	1,802	1,874
Financing cash flows from finance leases	887	815
Lease obligations obtained in exchange for right-of-use assets (non-cash)	12,727	5,724

Related party leases

The Company leases a supermarket from a realty firm 30 % owned by certain officers of Village. The Company paid rent to related parties under this lease of \$ 735 in both fiscal 2024 and 2023, and has a related lease obligation of \$ 1,144 at July 27, 2024. This lease expires in fiscal 2026 with options to extend at increasing annual rent.

The Company has ownership interests in four real estate partnerships. Village paid aggregate rents to three of these partnerships for leased stores of \$ 1,827 and \$ 1,568 in fiscal 2024 and 2023, respectively, and has related aggregate lease obligations of \$ 15,733 at July 27, 2024.

One of these partnerships is a variable interest entity, which is not consolidated as Village is not the primary beneficiary. This partnership owns one property, a stand-alone supermarket leased to the Company since 1974. Village is a general partner entitled to 33 % of the partnership's profits and losses.

The Company subleased the Vineland store from Wakefern under a sublease agreement which provided for annual rent of \$ 413 in fiscal 2023. The sublease contained normal periodic rent increases and options to extend the lease. The sublease agreement was terminated upon the acquisition of the Vineland store shopping center in fiscal 2023.

NOTE 8 — SHAREHOLDERS' EQUITY

The Company has two classes of common stock. Class A common stock is entitled to one vote per share and to cash dividends as declared 54 % greater than those paid on Class B common stock. Class B common stock is entitled to 10 votes per share. Class A and Class B common stock share equally on a per share basis in any distributions in liquidation. Shares of Class B common stock are convertible on a share-for-share basis for Class A common stock at any time. Class B common stock is not transferable except to another holder of Class B common stock or by will or under the laws of intestacy or pursuant to a resolution of the Board of Directors of the Company approving the transfer. As a result of this voting structure, the holders of the Class B common stock control greater than 50 % of the total voting power of the shareholders of the Company and control the election of the Board of Directors.

The Company has authorized 10,000 shares of preferred stock. No shares have been issued. The Board of Directors is authorized to designate series, preferences, powers and participation of any preferred stock issued.

The Company maintains share repurchase programs that comply with Rule 10b5-1 under the Securities Exchange Act of 1934. Repurchases of Village Class A common stock may be made from time to time through a variety of methods, including open market purchases and other negotiated transactions. In September 2019, the Company's Board of Directors authorized an incremental \$ 5,000 share repurchase program, supplementing the existing authorization. The Company made open market purchases of \$ 1,854 under this repurchase program in fiscal 2024 and none in fiscal 2023. The Company's share repurchase program had \$ 1,349 and \$ 3,203 remaining at July 27, 2024 and July 29, 2023, respectively. In fiscal 2024 and 2023, the Company purchased \$ 357 and \$ 3,739 , respectively, in shares of Class A Common Stock that were surrendered in satisfaction of withholding taxes in connection with the vesting of restricted shares in each of the fiscal years.

Village has two share-based compensation plans, which are described below. The compensation cost charged against income for these plans was \$ 3,993 and \$ 3,274 in fiscal 2024 and 2023, respectively. Total income tax benefit recognized in the consolidated statements of operations for share-based compensation arrangements was \$ 868 and \$ 1,100 in fiscal 2024 and 2023, respectively.

On December 16, 2016, the shareholders of the Company approved the Village Super Market, Inc. 2016 Stock Plan (the "2016 Plan") under which awards of incentive and non-qualified stock options and restricted stock may be made. There are 1,200 shares of Class A common stock authorized for issuance to employees and directors under the 2016 Plan. Terms and conditions of awards are determined by the Board of Directors. Restricted stock awards primarily cliff vest three years from the date of grant. There are 685 shares remaining for future grants under the 2016 Plan.

The following table summarizes option activity under all plans for the following years:

	Years ended			
	July 27, 2024		July 29, 2023	
	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
Outstanding at beginning of year	88	\$ 28.72	97	\$ 28.98
Exercised	(2)	27.71	—	—
Forfeited	(84)	28.82	(9)	31.81
Outstanding at end of year	2	\$ 25.47	88	\$ 28.72
Options exercisable at end of year	2	\$ 25.47	88	\$ 28.72

As of July 27, 2024, the weighted-average remaining contractual term of options outstanding and options exercisable was 1.4 years. As of July 27, 2024, the aggregate intrinsic value was \$ 11 for both options outstanding and options exercisable. The fair value of each option award is estimated on the date of grant using the Black-Scholes Option Pricing Model. The Company uses historical data for similar groups of employees in order to estimate the expected life of options granted. Expected volatility is based on the historical volatility of the Company's stock for a period of years corresponding to the expected life of the option. The risk-free interest rate is based on the U.S. Treasury yield curve at the time of grant for securities with a maturity period similar to the expected life of the option.

The following table summarizes restricted stock activity under all plans for the following years:

	Years ended			
	July 27, 2024		July 29, 2023	
	Shares	Weighted-average grant date fair value	Shares	Weighted-average grant date fair value
Nonvested at beginning of year	503	\$ 22.90	359	\$ 19.40
Granted	24	24.42	512	23.00
Vested	(43)	22.90	(358)	19.61
Forfeited	(28)	22.90	(10)	22.50
Nonvested at end of year	456	\$ 22.98	503	\$ 22.90

The total fair value of restricted shares vested during fiscal 2024 and 2023 was \$ 1,141 and \$ 8,227 , respectively.

As of July 27, 2024, there was \$ 6,048 of total unrecognized compensation costs related to nonvested restricted stock granted under the above plans. That cost is expected to be recognized over a weighted-average period of 1.6 years.

The Company declared and paid cash dividends on common stock as follows:

	Years ended	
	July 27, 2024	July 29, 2023
Per share:		
Class A common stock	\$ 1.00	\$ 1.00
Class B common stock	0.65	0.65
Aggregate:		
Class A common stock	\$ 10,609	\$ 10,417
Class B common stock	2,732	2,776
	<hr/> <u>\$ 13,341</u>	<hr/> <u>\$ 13,193</u>

NOTE 9 — BENEFIT PLANS

Multi-Employer Pension Plans

The Company contributes to three multi-employer pension plans under collective bargaining agreements covering union-represented employees. These plans provide benefits to participants that are generally based on a fixed amount for each year of service. Based on the most recent information available, certain of these multi-employer plans are underfunded. The amount of any increase or decrease in Village's required contributions to these multi-employer pension plans will depend upon the outcome of collective bargaining, actions taken by trustees who manage the plans, government regulations and the actual return on assets held in the plans, among other factors.

The risks of participating in multi-employer pension plans are different from the risks of participating in single-employer pension plans in the following respects:

- Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be borne by the remaining participating employers.
- If the Company stops participating in some of its multi-employer pension plans, the Company may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in these plans is outlined in the following tables. The "EIN / Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit pension plan number. The most recent "Pension Protection Act Zone Status" available in 2023 and 2022 is for the plan's year-end at December 31, 2023 and December 31, 2022, respectively, unless otherwise noted. Among other factors, generally, plans in the red zone are less than 65 percent funded, plans in the yellow zone are between 65 and 80 percent funded and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending / Implemented" column indicates plans for which a funding improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.

Pension Fund	EIN / Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending / Implemented	Contributions for the year ended (5)			Surcharge Imposed (6)	Expiration date of Collective-Bargaining Agreement
		2023	2022		July 27, 2024	July 29, 2023			
Pension Plan of Local 464A (1)	22-6051600-001	Green	Green	N/A	\$ 903	\$ 887	N/A		August 2025
UFCW Local 1262 & Employers Pension Fund (2), (4)	22-6074414-001	Red	Red	Implemented	2,656	2,671	No		October 2027
UFCW Regional Pension Plan (3), (4)	16-6062287-074	Red	Red	Implemented	\$ 1,330	\$ 1,305	No		June 2024
Total Contributions					\$ 4,889	\$ 4,863			

(1) The information for this fund was obtained from the Form 5500 filed for the plan's year-end at December 31, 2023 and December 31, 2022.

(2) The information for this fund was obtained from the Form 5500 filed for the plan's year-end at December 31, 2022 and December 31, 2021.

(3) The information for this fund was obtained from the Form 5500 filed for the plan's year-end at September 30, 2023 and September 30, 2022.

(4) This plan has elected to utilize special amortization provisions provided under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. There were no changes to the plan's zone status as a result of this election.

(5) The Company's contributions represent more than 5 % of the total contributions received by each applicable pension fund for all periods presented.

(6) Under the Pension Protection Act, a surcharge may be imposed when employers make contributions under a collective bargaining agreement that is not in compliance with a rehabilitation plan. As of July 27, 2024, the collective bargaining agreements under which the Company was making contributions were in compliance with rehabilitation plans adopted by each applicable pension fund.

Other Multi-Employer Benefit Plans

The Company also contributes to various other multi-employer benefit plans that provide health and welfare benefits to active and retired participants. Total contributions made by the Company to these other multi-employer benefit plans were \$ 37,216 and \$ 33,741 in fiscal 2024 and 2023, respectively.

Defined Contribution Plans

The Company sponsors a 401(k) savings plan for certain eligible associates. Company contributions under that plan, which are based on specified percentages of associate contributions, were \$ 2,028 and \$ 1,865 in fiscal 2024 and 2023, respectively. The Company also contributes to union sponsored defined contribution plans for certain eligible associates. Company contributions under these plans were \$ 3,339 and \$ 3,118 in fiscal 2024 and 2023, respectively.

Defined Benefit Plans

In fiscal 2024, the Company sponsored two defined benefit pension plans. One of the plans is a tax-qualified plan covering members of a union, which is frozen and participants no longer earn service credit. Benefits under the union plan are based on a fixed amount for each year of service, and benefits under the nonunion plan are based upon percentages of annual compensation. Funding for these plans is based on an analysis of the specific requirements and an evaluation of the assets and liabilities of each plan. The second plan is an unfunded, nonqualified plan providing supplemental pension benefits to certain executives. Pension liabilities were \$ 5,113 and \$ 4,893 as of July 27, 2024 and July 29, 2023, respectively, and net periodic pension cost for the plans was immaterial for both fiscal 2024 and 2023.

NOTE 10 — COMMITMENTS and CONTINGENCIES

Approximately 91 % of our employees are covered by collective bargaining agreements. Contracts with the Company's seven unions have or will expire between June 2024 and October 2027. 30 % of our associates are represented by unions whose contracts have already expired or expire within one year . Any work stoppages could have an adverse impact on our financial results.

The Company is involved in litigation incidental to the normal course of business. Company management is of the opinion that the ultimate resolution of these legal proceedings should not have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Village Super Market, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Village Super Market, Inc. and subsidiaries (the Company) as of July 27, 2024 and July 29, 2023, the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for the years then ended, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of July 27, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of July 27, 2024 and July 29, 2023, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 27, 2024 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of indicators of impairment of long-lived assets

As discussed in Note 1 to the consolidated financial statements, the Company reviews its long-lived assets, such as property, equipment and fixtures and operating lease assets, for events or changes in circumstances that might indicate the carrying amount of an asset group may not be recoverable. The Company's judgment regarding the identification of impairment indicators is based, in part, on operational performance at the store level. Factors considered by the Company that could result in an impairment triggering event include a current period operating or cash flow loss, underperformance of a store relative to historical or expected operating results, and significant negative industry or economic trends. At July 27, 2024, the Company had property, equipment and fixtures, net and operating lease assets of \$303,217 thousand and \$259,764 thousand, respectively.

We identified the assessment of impairment triggering events related to long-lived assets as a critical audit matter. A high degree of auditor judgment was required to evaluate the Company's assessment of whether any of the following were indicators of impairment: (1) stores with current period operating or cash flow losses, (2) underperforming stores based on current period operating or cash flow results relative to their respective historical and expected results, and (3) negative industry or economic trends.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's long-lived asset impairment process. This included a control related to the Company's assessment of impairment triggering events. We assessed the Company's identification and evaluation of potential impairment triggering events by:

- inspecting operating results and cash flows by store to identify stores with current period losses
- comparing actual operating and cash flow results to historical results, expected results, industry and economic trends, and to the net book value of store assets for a selection of stores
- reading board of directors meeting minutes and available industry information

/s/ KPMG LLP

We have served as the Company's auditor since 1987.

Short Hills, New Jersey
October 9, 2024

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

As required by Rule 13a-15 of the Exchange Act, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures at the end of the period covered by this report. This evaluation was carried out under the supervision, and with the participation, of the Company's management, including the Company's Chief Executive Officer along with the Company's Chief Financial Officer. Based upon that evaluation, the Company's Chief Executive Officer, along with the Company's Chief Financial Officer, concluded that the Company's disclosure controls and procedures are effective.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. With the participation of the Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that the Company's internal control over financial reporting was effective as of July 27, 2024.

The Company's independent registered public accounting firm has audited the accompanying consolidated financial statements and the Company's internal control over financial reporting, as stated in their report, which is included in Item 8 of this Form 10-K.

Robert P. Sumas

Chief Executive Officer

John L. Van Orden

Chief Financial Officer

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting during the fourth quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item 10 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before October 28, 2024, in connection with its Annual Meeting scheduled to be held on December 13, 2024.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before October 28, 2024, in connection with its Annual Meeting scheduled to be held on December 13, 2024.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the table below is as of July 27, 2024. All data relates to the Village Super Market, Inc. 2010 and 2016 Stock Plans as described in Item 8 of this Form 10-K.

Plan category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
			(a)
Equity compensation plans approved by security holders	2,000	\$ 25.47	684,593
Equity compensation plans not approved by security holders	—	—	—

Additional information required by this Item 12 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before October 28, 2024, in connection with its annual meeting scheduled to be held on December 13, 2024.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item 13 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before October 28, 2024, in connection with its annual meeting scheduled to be held on December 13, 2024.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before October 28, 2024, in connection with its annual meeting scheduled to be held on December 13, 2024.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES

(a)(1)	Financial Statements:
	Consolidated Balance Sheets – July 27, 2024 and July 29, 2023
	Consolidated Statements of Operations - years ended July 27, 2024 and July 29, 2023
	Consolidated Statements of Comprehensive Income - years ended July 27, 2024 and July 29, 2023
	Consolidated Statements of Shareholders' Equity – years ended July 27, 2024 and July 29, 2023
	Consolidated Statements of Cash Flows - years ended July 27, 2024 and July 29, 2023
	Notes to consolidated financial statements
	Report of Independent Registered Public Accounting Firm (KPMG LLP, Short Hills, NJ, Auditor Firm ID: 185)
(a)(2)	Financial Statement Schedules:
	All schedules are omitted because they are not applicable, or not required, or because the required information is included in the consolidated financial statements or the notes hereto.
(a)(3)	Exhibits
3.1	Certificate of Incorporation*
3.2	By-laws*
4.1	Credit Agreement dated May 6, 2020*
4.2	First Amendment to Credit Agreement dated September 1, 2020*
4.3	Amended and Restated Credit Agreement dated January 28, 2022*
4.4	First Amendment to Amended and Restated Credit Agreement dated September 1, 2022*
4.5	Second Amendment to Amended and Restated Credit Agreement dated January 27, 2023*
4.10	Revolving Credit Note dated May 6, 2020*
4.11	Revolving Amended and Restated Revolving Credit Note dated September 1, 2020*
4.12	Joinder to Revolving Amended and Restated Revolving Credit Note dated September 1, 2020*
4.13	Term Loan Note dated May 12, 2020*
4.14	Joinder to Term Loan Note dated May 12, 2020*
4.15	Converted Term Loan Note dated September 1, 2020*
4.16	Joinder to Converted Term Loan Note dated September 1, 2020*
4.17	Term Loan Note dated January 28, 2022*
4.18	Term Loan Note dated September 1, 2022*
4.19	Term Loan Note dated January 27, 2023*
10.1	Wakefern By-Laws
10.2	Stockholders Agreement dated February 20, 1992 between the Company and Wakefern Food Corp. *
10.7	Supplemental Executive Retirement Plan*
10.8	2004 Stock Plan*
10.9	2010 Stock Plan*
10.10	2016 Stock Plan*
10.11	42-Month Adjustable Rate Promissory Note*
10.12	42-Month Adjustable Rate Promissory Note*
10.13	60-Month Adjustable Rate Promissory Note*
10.14	60-Month Adjustable Rate Promissory Note*
10.15	60-Month Adjustable Rate Promissory Note*
10.16	60-Month Adjustable Rate Promissory Note*
10.17	60-Month Adjustable Rate Promissory Note*
10.18	60-Month Adjustable Rate Promissory Note dated August 15, 2022*

10.19	60-Month Adjustable Rate Promissory Note dated August 15, 2022*
10.20	60-Month Adjustable Rate Promissory Note dated August 15, 2022*
10.21	60-Month Adjustable Rate Promissory Note dated September 28, 2022*
10.22	60-Month Adjustable Rate Promissory Note dated September 28, 2022*
10.23	60-Month Adjustable Rate Promissory Note dated September 28, 2022*
10.24	60-Month Adjustable Rate Promissory Note dated September 28, 2022*
10.25	60-Month Adjustable Rate Promissory Note dated September 28, 2022*
10.26	60-Month Adjustable Rate Promissory Note dated September 28, 2022*
14	Code of Ethics*
21	Subsidiaries of Registrant
23	Consent of KPMG LLP
31.1	Certification
31.2	Certification
32.1	Certification (furnished, not filed)
32.2	Certification (furnished, not filed)
99.1	Earnings Release
101 INS	XBRL Instance Document*
101 SCH	XBRL Schema Document*
101 CAL	XBRL Calculation Linkbase Document*
101 DEF	XBRL Definition Linkbase Document*
101 LAB	XBRL Labels Linkbase Document*
101 PRE	XBRL Presentation Linkbase Document*
	The XBRL related information in Exhibit 101 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

* The following exhibits are incorporated by reference from the following previous filings:

Form 10-Q filed on March 8, 2023: 4.5, 4.19
 Form 10-K for 2022: 4.4, 4.18, 10.18, 10.19, 10.20, 10.21, 10.22, 10.23, 10.24, 10.25, 10.26
 Form 10-Q filed on March 10, 2022: 4.3, 4.12, 4.14, 4.16, 4.17
 Form 8-K filed on May 13, 2020: 4.1, 4.10, 4.13
 Form 8-K filed on September 8, 2020: 4.2, 4.11, 4.15
 Form 10-K for 2017: 3.1, 10.2, 10.15, 10.16, 10.17, 14
 DEF 14A Proxy Statement filed October 31, 2016: 10.10
 Form 10-K for 2014: 10.7
 Form 10-Q for April 2014: 10.11, 10.12, 10.13, 10.14
 DEF 14A Proxy Statement filed November 1, 2010: 10.9
 Form 10-K for 2004: 3.2
 DEF 14A proxy statement filed October 25, 2004: 10.8

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VILLAGE SUPER MARKET, INC.

By:	<u>/s/ Robert P. Sumas</u>	<u>/s/ John Van Orden</u>
	Robert P. Sumas	John Van Orden
	Chief Executive Officer	Chief Financial Officer

Date: October 9, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on dates indicated:

/s/ Robert P. Sumas
Robert P. Sumas, Director
October 9, 2024

/s/ Steven Crystal
Steven Crystal, Director
October 9, 2024

/s/ John P. Sumas
John P. Sumas, Director
October 9, 2024

/s/ Stephen Rooney
Stephen Rooney, Director
October 9, 2024

/s/ John J. Sumas
John J. Sumas, Director
October 9, 2024

/s/ Perry J. Blatt
Perry J. Blatt, Director
October 9, 2024

/s/ Nicholas J. Sumas II
Nicholas J. Sumas II, Director
October 9, 2024

/s/ Prasad Pola
Prasad Pola, Director
October 9, 2024

/s/ Kevin Begley
Kevin Begley, Director
October 9, 2024

/s/ Luigi Perri
Luigi Perri, Controller (Principal Accounting Officer)
October 9, 2024

/s/ John L. Van Orden
John L. Van Orden, Chief Financial Officer
October 9, 2024

WAKEFERN FOOD CORP.

B Y L A W S

As Adopted April 16, 1981
Amended July 14, 1983,
June 21, 1984,
March 19, 1987,
August 20, 1987,
October 19, 1988,
February 16, 1989,
March 15, 1990,
October 18, 1990,
September 29, 1993,
May 19, 1994,
September 22, 1994,
May 16, 2002,
October 15, 2009,
April 25, 2013,
August 21, 2018,
and
February 22, 2024

TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE.....	1
ARTICLE I CORPORATE NAME.....	5
ARTICLE II OFFICES.....	5
ARTICLE III STOCKHOLDERS AND STOCK	5
Section 1. Qualification	5
Section 2. Certificates Representing Shares.....	5
Section 3. Fractional Share Interests.....	5
Section 4. Share Transfers.....	6
Section 5. Record Date for Stockholders.....	6
ARTICLE IV MEETINGS OF STOCKHOLDERS.....	6
Section 1. Place of Meeting.....	6
Section 2. Annual Meeting.....	6
Section 3. Special Meetings.....	7
Section 4. Notice of Meetings.....	7
Section 5. Quorum.....	7
Section 6. Adjournments.....	7
Section 7. Organization.....	7
Section 8. List of Stockholders.....	8
Section 9. Business and Order of Business.....	8
Section 10. Voting.....	8
Section 11. Inspectors of Election.....	9
Section 12. Proxies.....	9
Section 13. Stockholder Action Without A Meeting.....	9
ARTICLE V BOARD OF DIRECTORS	9
Section 1. General Powers; Definitions.....	9
Section 2. Number and Term of Office.....	10
Section 3. Qualification.....	10
Section 4. Quorum and Manner of Acting.....	10
Section 5. Place of Meeting.....	11
Section 6. Regular Meeting.....	11
Section 7. Special Meetings.....	11
Section 8. Notice of Regular and Special Meetings.....	11
Section 9. Organization.....	11
Section 10. Business and Order of Business.....	11
Section 11. Consent of Directors in Lieu of Meeting.....	12
Section 12. Resignations.....	12

Section 13.	Removal of Directors.....	12
Section 14.	Vacancies.....	12
Section 15.	Meetings by Conference Telephone.	13
ARTICLE VI COMMITTEES		13
Section 1.	Executive Officers Committee.	13
Section 2.	Board Officers Committee.	13
Section 3.	Finance and Credit Committee.	13
Section 4.	Site Development Committee.	14
Section 5.	Capital Management Committee.	17
Section 6.	Nominating and Governance Committee.....	17
Section 7.	Trade Name and Trademark Committee.....	17
Section 8.	Risk Management Committee.....	18
Section 9.	Other Committees.	18
Section 10.	Rules and Procedures.....	18
ARTICLE VII EXECUTIVE OFFICERS AND OPERATING OFFICERS.....		19
Section 1.	Number.	19
Section 2.	Subordinate Operating Officers.	19
Section 3.	Qualifications, Election and Term of Office.....	20
Section 4.	Removal.	20
Section 5.	Resignations.....	20
Section 6.	Vacancies.	20
Section 7.	The Chairperson of the Board.....	20
Section 8.	The Vice Chairpersons.....	21
Section 9.	The President.	21
Section 10.	The Executive Vice President.....	21
Section 11.	The Secretary.	21
Section 12.	Assistant Secretaries.	21
Section 13.	The Treasurer.	22
Section 14.	Assistant Treasurers.	22
Section 15.	Remuneration of Directors.....	22
Section 16.	General Counsel.....	22
Section 17.	Chief Financial Officer.	23
ARTICLE VIII CONTRACTS, CHECKS, BANK ACCOUNTS, ETC.....		23
Section 1.	Authority to Execute Contracts, Etc.	23
Section 2.	Checks, Drafts, Etc.	23
Section 3.	Deposits.....	23
Section 4.	General and Special Bank Accounts.....	23
Section 5.	Voting Securities of Other Corporations.	23
ARTICLE IX RESTRICTIONS ON TRANSFER OF STOCK.....		24
Section 1.	Restrictions on Transfers.	24

Section 2.	Pledge of Wakefern Stock.	24
Section 3.	Right of Wakefern to Require Sale of All Stock.	24
Section 4.	Right of Wakefern to Require Sale By Stockholder of Part of Class B Stock and Class C Stock.	27
Section 5.	Right of Stockholder to Sell Stock and Indebtedness to Wakefern.	27
Section 6.	Purchase Price For Stock.	28
Section 7.	Payment of Purchase Price.	28
Section 8.	Cessation of Dealing with Wakefern.	30
Section 9.	Permissive Transfers of Stock.	30
Section 10.	Mandatory Reacquisition of Class A Stock In Certain Events.	30
Section 11.	Reissuance and Sale of Class A Treasury Stock To Stockholders.	31
Section 12.	Estate Plan Compliance Certification.	31
ARTICLE X USE OF WAKEFERN MARKS.....		35
ARTICLE XI INVESTMENT REQUIREMENTS OF STOCKHOLDERS		35
ARTICLE XII RIGHT TO RECEIVE MERCHANDISE AND SERVICE FROM WAKEFERN		35
Section 1.	Persons Entitled to Receive Merchandise and Services.	35
ARTICLE XIII PAYMENT FOR MERCHANDISE PURCHASED BY A STOCKHOLDER FROM WAKEFERN		37
ARTICLE XIV SEAL.....		38
ARTICLE XV FISCAL YEAR		38
ARTICLE XVI WAIVER OF NOTICE.....		38
ARTICLE XVII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS.....		38
ARTICLE XVIII EQUAL TREATMENT OF STOCKHOLDERS		39
ARTICLE XIX COOPERATIVE PATRONAGE DIVIDENDS.....		39
ARTICLE XX WAKEFERN ATTORNEYS.....		42
ARTICLE XXI AMENDMENTS		42

B Y L A W S

As Adopted April 16, 1981
Amended July 14, 1983,
June 21, 1984,
March 19, 1987,
August 20, 1987,
October 19, 1988,
February 16, 1989,
March 15, 1990,
October 18, 1990,
September 29, 1993,
May 19, 1994,
September 22, 1994,
May 16, 2002,
October 15, 2009,
April 25, 2013,
August 21, 2018, and
February 22, 2024

of

WAKEFERN FOOD CORP.

(A New Jersey Corporation)

PREAMBLE

Wakefern Food Corp. ("Wakefern") shall be operated in the cooperative model to help independent businesses compete and succeed in the retail industry. It will dedicate itself to fostering an entrepreneurial spirit among its membership and facilitate the exchange of ideas and experiences for their mutual economic benefit. Wakefern and its Stockholders will endeavor to promote Wakefern Branded Stores and the wholesale operations that support them.

Wakefern will provide the means for its Stockholders to realize the advantages of cooperative membership in their unified efforts to procure, distribute, merchandise and market food products, general merchandise and other related goods and services.

To accomplish its goals and purposes, Wakefern shall conduct its business dealings with integrity, continually innovate within its operations and employ a spirit of teamwork and interdependency between and among its associates and cooperative members.

In all of its efforts, Wakefern shall dedicate itself to raising the standard of living of the consumers served by its stores by providing quality merchandise at value prices.

Wakefern will support its Stockholders' retail businesses and develop and further the goodwill of the Wakefern Branded Stores for the mutual benefit of its Stockholders and the communities they serve.

As used in these By Laws the following terms shall have the meaning set forth below:

- a. "Acquiring Party" means any proposed purchaser, transferee or successor, including another Stockholder in any transfer in any transaction or series of transactions that have the effect of transferring control in a Stockholder.
- b. "Annual Certification" shall have the meaning ascribed to it in Article IX, Section 12(a).
- c. "Board" or "Board of Directors" means those individuals appointed to serve pursuant to the terms of Article V. The phrase "entire Board" or "entire Board of Directors" means the total number of directors which Wakefern would have if there were no vacancies.
- d. "By Laws" means the By Laws of Wakefern Food Corp. adopted as of April 16, 1981, as amended July 14, 1983, June 21, 1984, March 19, 1987, August 20, 1987, October 19, 1988, February 16, 1989, March 15, 1990, October 18, 1990, May 19, 1994, September 22, 1994, May 16, 2002, September 21, 2006, April 25, 2013, and August 23, 2018, as otherwise amended, supplemented and modified from time to time.
- e. "Certificate of Incorporation" means the Certificate of Incorporation of Wakefern as heretofore or hereafter amended.
- f. "Closing" shall have the meaning ascribed to it in Article IX, Section 7.
- g. "Committee" shall have the meaning ascribed to it in Article VI, Section 9.
- h. "Common A Director" shall have the meaning ascribed to it in Article V, Section 2.
- i. "Common C Director" shall have the meaning ascribed to it in Article V, Section 2.
- j. "Compliance Program" shall have the meaning ascribed to it in Article VI, Section 3.
- k. "Control" or "controlling" means the direct or indirect possession, either alone or with others, of the power to direct or cause the direction of the management and policies of the business in question, whether through ownership of securities, partnership interest, limited liability company interest, or ownership of assets, by contract, or otherwise.
 - l. "Corporate Agent" means a corporate agent, as such term is defined in N.J.S. 14A:3-5(1), as hereafter amended, modified or supplanted.
 - m. "Corporate Committee" shall have the meaning ascribed to it in Article VI, Section 6.
 - n. "Current Beneficiary(ies)" means any beneficiary of a trust who is or who may be, in the discretion of the trustee(s) of that trust, entitled to receive current distributions of income or principal of that trust.

o. "Director" or "Directors" means an individual(s) who is a member or members of the Board of Directors.

p. "Executive Officers" means the Chairperson of the Board, Vice Chairperson(s), Treasurer and Secretary of Wakefern. "Subordinate Executive Officers" means such other subordinate Executive Officers as the Board of Directors deems desirable, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers.

q. "Good cause" shall have the meaning ascribed to it in Article IX, Section 3.

r. "Interested Person" means any individual or person that, either directly or indirectly, through one of more intermediaries or subsidiaries, currently controls the Stockholder, or beneficially owns five (5%) percent or more of the equity capital or any voting control of a Stockholder, regardless of percentage, and, in the case of a publicly traded Stockholder, is active in the management of the Stockholder. If equity capital or voting control of a Stockholder is held, directly or indirectly, by a trust, then for purposes of this definition, only Current Beneficiaries shall be considered Interested Persons.

s. "Marks" means the "ShopRite", "Price Rite Marketplace", "Fairway Markets", "Gourmet Garage", "The Fresh Grocer" or "Dearborn Markets" trademarks, trade names and logos, and such other trade names and trademarks as may be owned, controlled or developed by Wakefern, and the related trademarks, service marks and logotypes, and domain names consisting of or containing such trademarks, trade names or logos, in connection with proposed business activities.

t. "New Management" means each individual who it is anticipated will be directly responsible for managing a Wakefern Branded Store, subject to a proposed sale to an Acquiring Party.

u. "Notice of Purchase" shall have the meaning ascribed to it in Article IX, Section 3.

v. "Notice of Sale" shall have the meaning ascribed to it in Article IX, Section 5(b).

w. "Operating Officers" means the President, Executive Vice President, if one is appointed, General Counsel, and Chief Financial Officer of Wakefern. "Subordinate Operating Officers" means such subordinate officers as may be appointed by the President of Wakefern in accordance with the provisions of Section 2 of Article VII.

x. "Patronage Dividends" shall have the meaning ascribed to it in Section 3 of Article XIX.

y. "Patron" shall have the meaning ascribed to it in Section 2 of Article XIX.

z. "Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, or other entity of whatever nature.

aa. "Prime Rate" means the prime lending rate prevailing during such period, as published in The Wall Street Journal.

bb. "SDC Procedures" means the Procedures and Standards for Site Development as approved from time to time by the Board of Directors by an affirmative vote of no less than fourteen (14) Directors, including those concerning financial condition and responsibility.

cc. "Selling Stockholder" means a Stockholder that is selling its capital stock of Wakefern as required by Article IX.

dd. "Standing Committee" shall have the meaning ascribed to it in Article VI, Section 6.

ee. "Stock" or "Stockholder" or "Stockholders" means an outstanding share or shares and any holder or holders of record of outstanding shares of any class of capital stock of Wakefern, upon which the Certificate of Incorporation or the New Jersey Business Corporation Act confers rights of notice of a meeting of Stockholders or a waiver thereof or to participate or vote thereat or to consent or dissent in writing in lieu of a meeting, as the case may be, notwithstanding that the Certificate of Incorporation may provide for more than one (1) class or series of shares, one (1) or more of which are limited or denied such rights thereunder.

ff. "Stockholders' Agreement" means that certain Stockholders' Agreement dated as of August 20, 1987, as amended February 20, 1992 and as otherwise amended, supplemented and modified from time to time, executed by Wakefern and its Stockholders.

gg. "Supermarket Interests" means direct or indirect equity or other control interests with respect to all Wakefern Branded Stores now or hereafter operated by a Stockholder or Interested Person, or any of their respective affiliates.

hh. "Transaction Notice" shall have the meaning ascribed to it in Article IX, Section 3(h).

ii. "Trust Documents" shall have the meaning ascribed to it in Article IX, Section 12(a)(iii).

jj. "Unqualified Successor" means, as determined by an affirmative vote of no less than fourteen (14) Directors, that an Acquiring Party, any person controlling the Acquiring Party or any member of the New Management: (A) has previously been convicted of any criminal activity involving moral turpitude or of such nature as would be likely to be damaging to the reputation of Wakefern or Wakefern Branded Stores; (B) has a history of defaulting on its financial obligations or is believed by the Board to be a poor credit risk for Wakefern; (C) has not given Wakefern reasonable assurances the Wakefern Branded Stores involved in the transaction will be operated by New Management having the requisite record of successful management experience; or (D) does not possess a high moral character.

kk. "Wakefern Branded Stores" means the Marks, goodwill and images of any Wakefern licensed trademarked store or business.

ll. "Wakefern Investment Policy" shall have the meaning ascribed to it in Article XI.

mm. "Wakefern Interests" shall have the meaning ascribed to it in Article IX, Section 12(a)(ii).

nn. "Wakefern Statement" shall mean statements issued from time to time by Wakefern to each Stockholder with respect to amounts due and owing to Wakefern from such Stockholder.

ARTICLE I

CORPORATE NAME

The name of this corporation is Wakefern Food Corp.

ARTICLE II

OFFICES

The principal office of Wakefern shall be in the City of Keasbey, State of New Jersey. Wakefern may also establish and have such other offices at such other places, within or without the State of New Jersey, as may be designated from time to time by the Board of Directors.

ARTICLE III

STOCKHOLDERS AND STOCK

Section 1. Qualification. It is the intent and purpose of Wakefern, consistent with the cooperative plan upon which its business is conducted, to limit the ownership of its capital stock to partnerships, corporations, limited liability companies, limited liability partnerships, trusts or other entities that meet the qualifications hereinafter set forth in these By Laws.

Section 2. Certificates Representing Shares. Certificates representing shares of capital stock of Wakefern shall conform to the requirements of the New Jersey Business Corporation Act and any other applicable provision of law and shall be signed by the Chairperson or a Vice Chairperson of the Board and by the Secretary or an Assistant Secretary or the Treasurer or Assistant Treasurer and may be sealed with the corporate seal or a facsimile thereof. In case any officer who has signed such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by Wakefern with the same effect as if he or she were such officer at the date of its issue. No certificate shall be issued for any share until such share is fully paid.

Section 3. Fractional Share Interests. Unless otherwise provided in the Certificate of Incorporation, Wakefern may, but shall not be obligated to, issue fractions of a share and certificates therefor. A certificate for a fractional share shall entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any distribution of assets of Wakefern in the event of liquidation.

Section 4. Share Transfers. Upon compliance with provisions restricting the transferability of shares contained in the Certificate of Incorporation, these By Laws and/or any lawful agreement to which the registered holder of shares of Wakefern is a party, transfers of shares of Wakefern shall be made only on the share records of Wakefern by the registered holder thereof, or by such holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of Wakefern and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes due thereon.

Section 5. Record Date for Stockholders. For the purpose of determining the Stockholders with regard to any corporate action or event, and particularly for determining the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or entitled to give a written consent to any action without a meeting, or for the purpose of any other action, the directors may fix, in advance, a date as the record date for any such determination of Stockholders. Such date shall not be more than sixty (60) days prior to the Stockholders' meeting or other corporate action or event to which it relates. The record date for a Stockholders' meeting shall not be less than ten (10) days before the date of such meeting. The record date for determining Stockholders entitled to give a written consent shall not be more than sixty (60) days before the date fixed for tabulation of the consents or, if no date has been fixed for tabulation, more than sixty (60) days before the last day on which consents received may be counted. If no record date is fixed, the record date for a Stockholders' meeting shall be at the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day next preceding the day on which the meeting is held; and the record date for determining Stockholders for any purpose other than that specified in the preceding clause shall be at the close of business on the day on which the resolution of the directors relating thereto is adopted. When a determination of Stockholders of record for a Stockholders' meeting has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Directors fix a new record date under this Section for the adjourned meeting.

ARTICLE IV

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meeting. Each meeting of the Stockholders shall be held at such place, within or without the State of New Jersey, as shall be designated by the Board of Directors. In the absence of any such designation, Stockholders' meetings shall be held at the principal office of Wakefern. The Board may, in its sole discretion, determine that any meeting of the Stockholders shall not be held in person, but may instead be held solely by means of remote communication as provided for under N.J.S.A. 14A:5-1 and any successor statute thereto. Participation in a meeting held by means of remote communication shall constitute presence in person at the meeting for all purposes, including quorum and voting. Stockholders of record shall receive at least seven (7) days advance notice of the change of a physical meeting to a remote (electronic) meeting and shall be provided instructions for participation and voting for such remote meeting.

Section 2. Annual Meeting. The annual meeting of Stockholders, for the election of Directors and for the transaction of such other business as may come before the meeting, shall be held either at the principal office of Wakefern or at any other place, either within

or without the State of New Jersey, consistent with the provisions of Article IV hereof, as shall be determined by the Board of Directors and as shall be designated in the notice of the meeting or executed waiver of notice.

Section 3. Special Meetings. The Chairperson of the Board may call a special meetings of Stockholders for any purpose or purposes, unless otherwise prescribed by law, at any time at the direction of the Board of Directors, and shall be called by the Chairperson of the Board or Secretary at the request in writing of a Stockholder or Stockholders holding of record at least that percentage of the total number of shares of Class A Stock and Class C Stock then outstanding necessary to elect at least one third (1/3) of the Board of Directors. Special meetings shall be called by means of a notice as provided in Section 4 of this Article IV. Each special meeting shall be held at the principal office of Wakefern unless otherwise designated by the Board of Directors.

Section 4. Notice of Meetings. Except as otherwise provided by law, notice of each meeting of the Stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the day on which the meeting is to be held, to each Stockholder of record entitled to vote at such meeting by delivering a written notice thereof to such Stockholder personally, or by overnight delivery service, such as Federal Express or United Parcel Service, or by mailing such notice in a postage prepaid envelope addressed to such Stockholder at such Stockholder's post office address furnished by such Stockholder to the Secretary for such purpose, or, if such Stockholder shall not have furnished an address to the Secretary for such purpose, then at such Stockholder's post office address as it appears on the records of Wakefern, or by transmitting a notice thereof to such Stockholder at such address by telex, telegraph, cable, email, facsimile or other means of electronic communication. Every such notice shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called. Notice of an adjourned meeting of the Stockholders shall not be required to be given, except when expressly required by these By Laws or by law. As provided in Article XVI of these By Laws, any Stockholder may waive the requirements of notice provided for herein.

Section 5. Quorum. The holders of shares, entitling them to elect a majority of the Board of Directors, present in person or by proxy and entitled to vote at any meeting of the Stockholders, shall constitute a quorum.

Section 6. Adjournments. At any annual or special meeting of Stockholders, the Stockholders present in person or by proxy and entitled to vote at such meeting, although less than a quorum, may adjourn the meeting from time to time without further notice (except as is otherwise required by law) other than by announcement at the meeting at which such adjournment is taken of the time and place of the adjourned meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

Section 7. Organization. At every meeting of the Stockholders, the Chairperson of the Board or, in the Chairperson's absence, the most senior Vice Chairperson, or in such Vice Chairperson's absence, a chairperson chosen by a majority vote of the Stockholders present in person or by proxy and entitled to vote thereat, shall act as chairperson of the meeting. The Secretary, or in the Secretary's absence, an Assistant Secretary, shall act as secretary of the meeting.

Section 8. List of Stockholders. It shall be the duty of the Secretary or other officer of Wakefern who shall have charge of its stock ledger, either directly or through another officer or agent of Wakefern designated by the Secretary or through a transfer agent or transfer clerk appointed by the Board of Directors, to prepare and certify, at least ten (10) days before every meeting of the Stockholders, a complete list of the Stockholders entitled to vote thereat, arranged in numerical order by assigned Stockholder number reflecting each class of stock and showing the address of each Stockholder and the number of shares of each such class registered in the name of each Stockholder. For said ten (10) days, such list shall be open at the principal offices of Wakefern, to the examination of any Stockholder for any purpose germane to the meeting, and shall be produced and kept at the time and place of said meeting during the whole time thereof and subject to the inspection of any Stockholder who shall be present thereat. The original or duplicate stock ledger shall be *prima facie* evidence as to who are the Stockholders entitled to examine such list or the books of Wakefern, or to vote in person or by proxy at such meeting.

Section 9. Business and Order of Business. At each annual meeting of the Stockholders, such business may be transacted as may properly be brought before such meeting, whether or not such business is stated in the notice of such meeting or in a waiver of notice thereof, except as otherwise by law or by the Certificate of Incorporation or by these By Laws expressly provided. At each special meeting of the Stockholders, such business may be transacted as may be properly brought before such meeting, provided that such business is stated in the notice of such meeting or in a waiver of notice thereof, except as otherwise by law or by the Certificate of Incorporation or by these By Laws expressly provided. The order of business at all meetings of the Stockholders shall be as determined by the chairperson of the meeting.

Section 10. Voting. Except as otherwise provided by law or by the Certificate of Incorporation or by these By Laws with respect to any class of capital stock of Wakefern, each Stockholder of record shall be entitled at each meeting of Stockholders to one (1) vote for each share of capital stock of Wakefern registered in such Stockholder's name on the books of Wakefern. Shares of Wakefern belonging to Wakefern, or shares of stock owned by a Stockholder as to whom the Board of Directors shall have determined in accordance with Article IX of these By Laws is required to sell its shares to Wakefern, shall not be voted. Each holder of record of Class A Stock entitled to vote at any election of Directors shall be entitled to cumulate the votes represented by such holder's Class A Stock and shall thereupon be entitled to cast a number of votes equal to the number of Directors to be elected by the holders of all issued and outstanding Class A Stock multiplied by the number of votes to which such holder's Class A Stock is entitled, and such votes may be distributed among as many candidates as such holder thinks fit. Holders of record of Class C Stock shall have no such right to cumulate the votes represented by their Class C Stock in the election of Directors, and Directors who are to be elected by the holders of Class C Stock shall be elected by a plurality of the votes cast by such holders.

At all meetings of the Stockholders, all matters (except where other provision is made by law or by the provisions of the Certificate of Incorporation or these By Laws, including, without limitation, with respect to the election of Directors) shall be decided by a majority of the votes cast by the Stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Election of Directors shall be by ballot. Unless required by law, or demanded by a Stockholder present in person or by proxy at such meeting and entitled to vote thereat, or determined by the chairperson of the meeting to be advisable, the vote on any question other than

election of Directors need not be by ballot. Upon a demand by any such Stockholder for a vote by ballot upon any question, such vote shall be taken by ballot. On a vote by ballot, each ballot shall be signed by the Stockholder voting or by its proxy, as such if there be such proxy, and shall state the number and class of shares voted by such Stockholder or proxy.

Section 11. Inspectors of Election. The chairperson may, and at the request of a majority of the Stockholders present in person or by proxy and entitled to vote thereat shall, appoint two (2) inspectors of election for each meeting of Stockholders. The inspectors shall decide upon the qualification of votes and the validity of ballots, count the votes and declare the results. Inspectors need not be Stockholders.

Section 12. Proxies. Every Stockholder entitled to vote at a meeting of Stockholders or to express consent without a meeting may authorize another person or persons who need not be a Stockholder to act for such Stockholder by proxy. Every proxy must be signed by the Stockholder or its agent, except that a proxy may be given by a Stockholder or its agent by telegram, telex, cable, telephonic transmission, email, facsimile, or other means of electronic communication. No proxy shall be valid for more than eleven (11) months, unless a longer time is expressly provided in the proxy, but in no event shall a proxy be valid after three (3) years from the date of execution. Unless it is coupled with an interest, a proxy shall be revocable at will. The presence at any meeting of any Stockholder who has given a proxy shall not revoke such proxy unless the Stockholder shall file written notice of such revocation with the Secretary of the meeting prior to the voting of such proxy. An individual named in a proxy as the attorney or agent of a Stockholder may, if the proxy so provides, substitute another individual to act in said proxy's place, including any other individual named as an attorney or agent in the same proxy. The substitution shall not be effective until an instrument affecting it is filed with the Secretary of Wakefern.

Section 13. Stockholder Action Without A Meeting. Except as otherwise provided by the New Jersey Business Corporation Act or the Certificate of Incorporation, any action required or permitted to be taken at a meeting of Stockholders, other than the annual election of Directors, may be taken without a meeting upon the written consent of the Stockholders who would have been entitled to cast at least the minimum number of votes which would be required to authorize such action at a meeting at which all Stockholders entitled to vote thereon were present and voting. In the event of such written action, prompt notice of such action shall be given to all Stockholders who would have been entitled to notice of a meeting and to vote upon the action if such meeting were held.

The written consents of the Stockholders shall be filed with the minutes of proceedings of Stockholders.

ARTICLE V

BOARD OF DIRECTORS

Section 1. General Powers; Definitions. The Board of Directors shall manage and conduct the property, affairs and business of Wakefern and may exercise all such authority

and powers of Wakefern and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these By Laws directed or required to be exercised or done by the Stockholders.

Section 2. Number and Term of Office. The number of Directors shall not be less than twenty (20) nor more than twenty two (22), of whom twelve (12) Directors (referred to hereinafter as "Common A Directors") shall be nominated and elected only by the holders of record of Class A Stock and the remaining Directors (referred to hereinafter as "Common C Directors") only by the holders of record of Class C Stock. Within such limits, the number of Directors constituting the entire Board of Directors shall be determined as provided in the Certificate of Incorporation. Each Director shall hold office until the annual meeting of the Stockholders next following the Director's election and until a successor shall have been elected and shall qualify, unless the Director shall earlier die, become disqualified, resign, be declared mentally incompetent by a court of competent jurisdiction or be removed in the manner hereinafter provided.

Section 3. Qualification. An individual shall be qualified to serve as a Director only if and so long as (A) such individual beneficially owns outstanding securities possessing five percent (5%) or more of the combined voting power of all outstanding securities of, or is a partner or member of, a Stockholder, (B) such individual is actively engaged in the operation of such Stockholder's supermarket business, (C) such individual has not yet attained the age of seventy-five (75) at the time of his or her nomination and election as a director; and (D) the Board of Directors shall not have determined, in accordance with Article IX of these By Laws, that such Stockholder is required to sell its stock to Wakefern and its relationship with Wakefern be terminated. Whenever (i) the Stockholder with which the individual Director is associated or affiliated ceases to be the record and beneficial owner of shares of stock of Wakefern necessary for the Director's qualification as a Director, or (ii) the Board of Directors shall have determined that such Stockholder is required to sell its stock to Wakefern and its relationship with Wakefern should be terminated, or (iii) such Director ceases to be a shareholder, partner, member or senior executive officer of such Stockholder, actively engaged in the operation of such Stockholder's supermarket business, such Director shall thereupon also cease to be a Director without any further action on his or her part or on the part of the Board of Directors or the Stockholders. Notwithstanding anything to the contrary contained herein: (a) no more than one (1) individual associated or affiliated with a Stockholder shall be qualified to serve as a Director; (b) any two (2) Stockholders who are directly or indirectly affiliated with each other by reason of one (1) such holder owning a least five percent (5%) of the equity capital of the other such holder or which are directly or indirectly controlled by the same person, shall not be represented on the Board of Directors of Wakefern by more than one (1) Director; and (c) any three (3) or more Stockholders which are directly or indirectly affiliated with each other through ownership of at least five percent (5%) of the equity capital of an entity engaged in the supermarket business or which are directly or indirectly controlled by the same person shall not be represented on the Board of Directors of Wakefern by more than two (2) Directors or by more than such greater number of Directors as at least twelve (12) of the disinterested Directors then in office shall determine.

Section 4. Quorum and Manner of Acting. Twelve (12) Directors (irrespective of the classes of stock which said Directors represent) shall constitute a quorum for the transaction of business at any meeting. The act of at least twelve (12) of the Directors present at any meeting (irrespective of the classes of stock which said Directors represent) shall be the act of the Board of

Directors. A majority of the Directors present may adjourn any meeting from time to time. Notice of any adjourned meeting shall be given in the manner provided in Section 8 of this Article V.

Section 5. Place of Meeting. The Board of Directors may hold its meeting at such place or places, within or without the State of New Jersey, as the Board may from time to time determine.

Section 6. Regular Meeting. The Board of Directors shall hold a regular meeting for the purpose of organization, the election of the officers of Wakefern and the transaction of other business as soon as practicable after each annual meeting of Stockholders and on the day and at the place as may be provided by resolution of the Board. Other regular meetings of the Board of Directors may be held at such time and place as may be fixed from time to time by the Board.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be called by the Secretary or an Assistant Secretary at the request of the Chairperson of the Board, Executive Officers Committee, or at the request in writing of no less than eight (8) Directors stating the purpose or purposes of such meeting.

Section 8. Notice of Regular and Special Meetings. Notice of each regular and special meeting of the Board of Directors shall be sent to each Director, addressed to the Director's residence or usual place of business by overnight delivery service, such as Federal Express or United Parcel Service or by personal delivery, first class mail, telex, telegraph, cable, facsimile, email or other electronic means of communication, at least two (2) days or forty eight (48) hours before the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting. In the case of a regular meeting, such notice need not state the purpose or purposes of the meeting; but in the case of a special meeting, such notice shall state the purpose or purposes of the meeting. As provided in Article XVI of these By Laws, any Director may waive the notice requirements provided for herein.

Section 9. Organization. At each meeting of the Board of Directors, the Chairperson of the Board, or in the Chairperson's absence, the most senior Vice Chairperson present, shall act as chairperson of the meeting. The Secretary, or in the Secretary's absence an Assistant Secretary or any individual appointed by the chairperson of the meeting, shall act as secretary of the meeting.

Section 10. Business and Order of Business. At each regular meeting of the Board of Directors, such business may be transacted as properly may be brought before the meeting, whether or not such business is stated in the notice of such meeting or in a waiver of notice thereof, except as otherwise expressly provided by law, the Certificate of Incorporation or these By Laws. At each special meeting of the Board of Directors, such business may be transacted as properly may be brought before the meeting, provided, however, that such business is stated in the notice of such meeting or in a waiver of notice thereof, except as otherwise expressly provided by law, the Certificate of Incorporation, or these By Laws. At all meetings of the Board of Directors, business shall be transacted in the order determined by the chairperson of the meeting, unless otherwise determined by the Board.

Section 11. Consent of Directors in Lieu of Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all Directors consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board.

Section 12. Resignations. Any Director may resign at any time by giving written notice to the Board of Directors. The resignation of any Director shall take effect at the date of receipt of such notice or at any later date specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 13. Removal of Directors. One (1) or more or all of the Directors may be removed for cause by the Stockholders by the affirmative vote of a majority of the votes cast by the holders of stock of the class entitled to vote for the election of the Director or Directors to be removed, subject to the following qualifications:

(a) Any Common A Director may be removed by vote of the holders of record of a majority of the total number of shares of Class A Stock issued, outstanding and entitled to vote in the election of Directors at the time of such removal.

(b) Any Common C Director may be removed by vote of the holders of record of a majority of the total number of shares of Class C Stock issued, outstanding and entitled to vote in the election of Directors at the time of such removal.

(c) No Director may be removed by the Stockholders without cause. No Director may be removed by the Board of Directors without cause. The Board of Directors shall have power to suspend the authority of a Director to act as such pending a final determination that cause exists for removal and a vote to that effect, by the requisite vote of Stockholders. Upon the affirmative vote of no less than fourteen (14) Directors, the Board may vote to remove a Director for cause.

(d) No acts of the Board of Directors done during the period when a Director has been suspended or removed for cause shall be impugned or invalidated if the suspension or removal is thereafter rescinded by the Stockholders or by the Board of Directors or by the final judgment of a court of competent jurisdiction.

Section 14. Vacancies. Any vacancy in the Board of Directors caused by death, resignation, disqualification, removal or judicial declaration of mental incompetency of a Director may be filled as follows: (i) a vacancy caused by the death, resignation, disqualification, removal or judicial declaration of mental incompetency of a Common A Director may be filled only by the remaining Common A Directors then in office, provided said remaining Common A Directors constitute a majority of the entire number of authorized Common A Directors; (ii) a vacancy caused by the death, resignation, disqualification, removal or judicial declaration of mental incompetency of a Common C Director may be filled only by the remaining Common C Directors then in office, provided said remaining Common C Directors constitute a majority of the entire number of authorized Common C Directors; and (iii) in the event that the requisite majority of Common A Directors or Common C Directors as the case may be, are not then in office, said

vacancy shall be filled by a class vote of holders of Class A Stock or Class C Stock, as the case may be, in accordance with the Certificate of Incorporation and Section 2 of this Article.

Section 15. Meetings by Conference Telephone. The members of the Board of Directors or any committee elected or designated by the Board of Directors may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all individuals participating in the meeting can hear and speak to each other, and participation in a meeting pursuant to this Section 15 shall constitute presence in person at such meeting.

ARTICLE VI

COMMITTEES

Section 1. Executive Officers Committee. The Executive Officer Committee shall be a standing committee of the Board of Directors composed of Wakefern's then seated Executive Officers. The Executive Officers shall meet as necessary at the request of the Chairperson of the Board, an Executive Officer or the President to review and advise the Board of Directors, when appropriate, concerning: (i) executive compensation and performance criteria; (ii) bonus and incentive plans; (iii) recruiting, staffing, developing and retaining Operating Officers, (iv) mergers, acquisitions, divestitures or proposals therefor; (v) new stockholders, (vi) stockholder issues, (vii) other confidential or significant matters impacting Wakefern or the cooperative, and (viii) any other material matter the Chairperson of the Board or President deems appropriate.

Section 2. Board Officers Committee. The Board Officers Committee shall be a standing committee of the Board of Directors composed of Wakefern's then seated Executive Officers and any then seated Subordinate Executive Officers. The Board Officers shall meet prior to each meeting of the Board of Directors to preview all meeting agendas and review and advise the Board of Directors, when appropriate, concerning: (i) formulation of corporate goals, (ii) strategic planning, (iii) preview of strategic initiatives and matters of potential material impact on Wakefern, and (iv) any other material matter the Executive Officers or Chairperson of the Board deems appropriate.

Section 3. Finance and Credit Committee. The Finance and Credit Committee shall be a standing committee of the Board of Directors composed of not less than five (5) Directors. All members of the Finance and Credit Committee shall be Directors of Wakefern nominated by the Nominating and Governance Committee and appointed to serve on such committee by a majority vote of the Directors of the Board. The Finance and Credit Committee shall provide oversight of Wakefern's internal audit and the independent registered public accounting firm retained to conduct the audit of Wakefern's financial statements (including oversight of such accountant's appointment, compensation and qualifications) and shall carry on Wakefern's financial and audit activities between meetings of the Board of Directors. The Finance and Credit Committee shall also be responsible for overseeing an effective compliance and ethics program that shall be reasonably designed, implemented, and enforced so that the program is generally effective in preventing and detecting improper conduct, including compliance with applicable federal, state, and local laws and regulations (the "Compliance Program"). The Finance

and Credit Committee shall also advise the Board of Directors concerning the following: (1) the financial health of the cooperative, including the strength of the balance sheet, profitability, adequacy of cash flow, and adequacy of capital; (2) the integrity of Wakefern's financial statements and effectiveness of internal control over financial reporting; (3) the independence, qualifications and performance of the independent registered public accounting firm; (4) the performance of Wakefern's internal audit function; (5) the effectiveness of Wakefern's compliance program, compliance with legal and regulatory requirements, and compliance with the ethical standards adopted by Wakefern; (6) overseeing the effectiveness of Wakefern's system of internal controls and policies and procedures for managing and assessing operational risk; (7) providing guidance and input into financial matters impacting Wakefern and the cooperative budgeting process and reviewing the cooperative's performance against budget; and (8) engaging in such other matters as may from time to time be specifically delegated to the Committee by the Board. The Finance and Credit Committee may form, and delegate authority to, subcommittees when appropriate, the members of which will be approved by Finance and Credit Committee. Any subcommittee formed pursuant to this Section 1 shall report directly to the Finance and Credit Committee.

Section 4. Site Development Committee. (a) The Site Development Committee shall be a standing committee of the Board of Directors composed of a minimum of five (5) but not more than seven (7) qualified individuals elected annually by the Board of Directors. The Nominating and Governance Committee shall recommend to the Board of Directors, and the Board of Directors, by an affirmative vote of no less than fourteen (14) Directors, shall elect the individuals to serve on the Site Development Committee, at least three of whom shall satisfy the following requirements: Two (2) individuals shall have held significant responsible management positions in the supermarket industry or in other marketing or retailing industries, and shall have had considerable experience in marketing or retailing or in making site selection determinations; and one (1) individual shall be a respected individual of the community, having relevant professional or academic credentials. The Board of Directors may elect up to four (4) additional individuals to serve on the Site Development Committee. Each additional individual chosen to serve on the Site Development Committee may meet either of the Site Development Committee membership service criteria. A quorum of the Site Development Committee shall consist of a majority of Committee members. No individual chosen to serve on the Site Development Committee shall serve more than three (3) years in succession unless that individual is reelected after such three (3) year period by an affirmative vote of at least sixteen (16) Directors. No individual chosen to serve on the Site Development Committee shall serve more than five (5) years in succession or more than seven (7) years in total as a member of the Site Development Committee unless that individual is reelected after such five (5) year period or such seven (7) or more years of service by an affirmative vote of at least seventeen (17) Directors. No individual chosen to serve on the Site Development Committee shall be a present or past Director and/or Stockholder, or a present or former employee of Wakefern or a relative, employee or affiliate of any of the above. The President, the Executive Vice President, the Chief Financial Officer, and the General Counsel of Wakefern shall serve as advisors and consultants to the Site Development Committee. All actions by the Site Development Committee shall be by a majority vote. Any member of the Site Development Committee may be removed, with or without cause, by the Board by an affirmative vote of no less than fourteen (14) Directors. The Site Development Committee and the Board of Directors shall follow SDC Procedures.

(b) The Site Development Committee shall be authorized, so as to further the best interests of Wakefern and to further the promotion and development of Wakefern Branded Stores and the goodwill and image associated therewith, on an ongoing basis, to investigate and evaluate markets, and to make market analyses, surveys, forecasts and expansion plans to recommend areas in which new Wakefern Branded Stores should be located. The Site Development Committee shall make recommendations of areas for new Wakefern Branded Stores to the Board of Directors and shall supervise the development of the site location information.

(c) The Site Development Committee shall have the power and authority, so as to further the best interests of Wakefern and Wakefern Branded Stores, to entertain, investigate and evaluate applications by Stockholders or entities approved by the Board of Directors for new Wakefern Branded Stores and sites for new Wakefern Branded Stores. The Site Development Committee shall have the authority to recommend the form of application and have the exclusive authority to grant, defer or deny such applications and its decision, upon filing with the Chairperson of the Board and the Board of Directors, shall be final, unless an applicant or any Stockholder who comments on an application appeals the decision of the Site Development Committee to the Board of Directors within ten (10) days after receipt of written notice of the Site Development Committee's decision, in which case the Board of Directors may override the Site Development Committee's decision upon an affirmative vote of no less than fourteen (14) Directors, or, absent such an appeal by an applicant, unless the Board of Directors overrides the Site Development Committee's decision upon an affirmative vote of no less than fourteen (14) Directors within fourteen (14) days after the Site Development Committee has filed its decision with the Chairperson of the Board and the Board of Directors or, if not practicable, at the next regularly scheduled Board meeting; provided, however, that an applicant may petition the Board of Directors to grant an application, upon an affirmative vote of at least twelve (12) Directors, if the Site Development Committee fails to grant or deny such application within sixty (60) days after the applicant has filed its application, or within forty five (45) days after the applicant filed its application if expedited consideration is requested with the application; provided further, however, that such petition, while pending, shall be superseded by a grant or denial of the application by the Site Development Committee, and the failure to obtain an affirmative vote of at least twelve (12) Directors granting such petition shall in no way prejudice the applicant's application before the Site Development Committee which, thereafter, shall promptly make its independent determination to grant or deny the application. The Board of Directors shall delineate in the SDC Procedures, the basis upon which the Board of Directors shall review an application for a site when an application is first filed, without in any way preempting the authority of the Site Development Committee, and the basis upon which the Board of Directors may, absent an appeal by an applicant for a site, override a decision by the Site Development Committee.

(d) The Site Development Committee shall have the authority to impose conditions upon the consideration and approval of such applications including, but not limited to, conditioning consideration on the furnishing of certain information and an undertaking to assume certain expenses incurred in the consideration of the application, and conditioning approval upon the actual commencement of construction and development of a Wakefern Branded Store or a new site for a Wakefern Branded Store within a specific period of time.

(e) Application to the Site Development Committee for sites for new Wakefern Branded Stores and alternate format stores shall be received only from:

(i) a Stockholder, who, at the time of such application:

(A) operates at least one (1) Wakefern Branded Store, pursuant to a validly existing written license agreement with Wakefern; and

(B) is in compliance with these By Laws, including, without limitation, the stock transfer requirements of Article IX of these By Laws, the Stockholders' Agreement, and all Board-mandated programs;

(ii) Wakefern or any subsidiary thereof; or

(iii) any person approved by the Board of Directors.

(f) The Site Development Committee shall entertain and consider applications for Wakefern Branded Stores only by persons qualified under Subsection (e) above. The Site Development Committee shall be empowered to approve applications for new Wakefern Branded Stores only if the new supermarket or store will comply, and be operated in accordance, with the image of the applicable Wakefern Branded Store, as developed and articulated from time to time by the Board of Directors.

(g) Every Stockholder materially benefits from the approval, development and opening of a Wakefern Branded Store, whether by itself or by another Stockholder, and any and all Stockholders who make application for a proposed site or comment on an application or receive Patronage Dividends from Wakefern by those actions has hereby agreed to abide by the terms of the SDC Procedures, as approved from time to time by the Board of Directors, including such provisions that may impose sanctions, remedies and penalties if the Site Development Committee determines that any interference by a Stockholder with a Site Development Committee approved site is occurring or has occurred.

(h) By submitting and/or commenting on an application, or receiving Patronage Dividends from Wakefern, and otherwise being afforded the benefits of being a Stockholder, each Stockholder has hereby agreed to be bound by any and all decisions of the Site Development Committee and the Board of Directors, which may confirm, modify or otherwise act upon the application. As consideration for the privilege to make an application to the Site Development Committee or to comment on a pending application, or to receive Patronage Dividends from Wakefern, each Stockholder must abide by the SDC Procedures.

(i) All decisions of the Site Development Committee shall be final, subject to (i) Board review upon an appeal by an applicant or any Stockholder who comments on an application or (ii) absent an appeal, an override by the Board of Directors as set forth in Section 2(c) of this Article VI. By submitting and/or commenting on an application, or receiving Patronage Dividends from Wakefern, and otherwise being afforded the benefits of being a Stockholder, each Stockholder has hereby agreed that no judicial review shall be sought or permitted of: (1) any determination of the Site Development Committee; (2) any Board determination in connection with this Section 2, (A) after review upon appeal by an applicant or

any Stockholder who comments on an application; or (B) absent an appeal, upon the affirmative vote of no less than fourteen (14) Directors within fifteen (15) days after the Site Development Committee has filed its decision with the Chairperson of the Board of Directors and the Board of Directors; or (3) the SDC Procedures.

Section 5. Capital Management Committee. The Capital Management Committee shall be a standing committee of the Board of Directors composed of not less than five (5) individuals who are Directors of Wakefern, or affiliated with a Stockholder either as shareholders, partners, members, directors or senior executive officers of such Stockholder, the number and appointments of whom shall be recommended by the Nominating and Governance Committee and appointed annually by a majority vote of the Board. The Capital Management Committee shall undertake a detailed review of Wakefern's annual capital budget and capital projects, and advise the Board of Directors concerning: (i) approval of Wakefern's annual capital budget; (ii) approval of non-budgeted purchases of capital equipment or other non-budgeted capital expenditures; (iii) approval of any line item deviations from the approved annual budget; (iv) property capital project oversight; and (v) any other material matter the Board deems appropriate.

Section 6. Nominating and Governance Committee. The Nominating and Governance Committee shall be a standing committee of the Board of Directors composed of not less than five (5) nor more than nine (9) Directors of Wakefern, and the number and appointments of whom shall be determined by the Board of Directors. The Chairperson of the Nominating and Governance Committee shall be appointed by the Board. The Nominating and Governance Committee shall consider and recommend to the Board of Directors action with respect to the following: (i) annual recommendations to the Stockholders of Wakefern with respect to candidates for election to the Board of Directors at the annual meeting of Stockholders; (ii) assignments to Standing Committees; (iii) assignment of Chairpersons and Vice Chairpersons of Standing and Corporate Committees; (iv) matters relating to corporate governance as provided for in its Nominating and Governance Committee Charter as approved by the Board; (v) evaluation of the Board, Directors, and Chairpersons and Vice Chairpersons of Standing and Corporate Committees; and (vi) matters involving the Board of Directors Code of Conduct, conflicts of interest or related party transactions. The Nominating and Governance Committee shall also be responsible to: (i) review and oversee new director orientation and continuing education program for all Directors; (ii) establish procedures for Stockholders to recommend candidates for the Nominating and Governance Committee's consideration; and (iii) oversee the proxy solicitation process for the annual meeting.

Section 7. Trade Name and Trademark Committee. The Trade Name and Trademark Committee (hereinafter, "TTC") shall be a standing committee composed of not less than five (5) and not more than ten (10) Directors of Wakefern who shall be nominated by the Nominating and Governance Committee and appointed annually by a majority vote of the Board. The TTC shall consider and recommend to the Board of Directors action with respect to the following: (i) granting, enforcement and termination of licenses to Stockholders and other parties to use the Marks; (ii) establishing the terms and conditions of each such license, including the form of license agreement between Wakefern and its Stockholders and amendments or modifications thereof; (iii) new uses of the Marks and such other trade names and trademarks as may be owned, controlled or developed by Wakefern; (iv) current uses of the Marks, including assessing the

desirability of obtaining additional legal protection therefor; (v) granting, enforcement and termination of licenses to use the Marks and Wakefern's copyrightable works to non-Stockholders and other persons who are not eligible under these By Laws to make site applications to the Site Development Committee; (vi) upon referral by the Executive Office Committee, evaluation of potential new Stockholders with respect to their suitability to operate a Wakefern Branded Store; and (vii) creation, maintenance, updating and enforcement of policy manuals governing the proper use and display of the Marks and Wakefern's copyrightable works. Decisions of the TTC may be reviewed by the Board of Directors upon the request of any Stockholder or upon the request of the TTC by its own motion.

Section 8. Risk Management Committee. The Risk Management Committee shall be a standing committee of the Board of Directors composed of not less than five (5) individuals who are Directors of Wakefern, or affiliated with a Stockholder either as shareholders, partners, members, directors or senior executive officers of such Stockholder, the number and appointments of whom shall be recommended by the Nominating and Governance Committee and appointed annually by a majority vote of the Board. The Risk Management Committee shall advise the Board relative to: (i) strategies to mitigate and/or transfer risk; (ii) changes to the insurance program mandate; and (iii) any other material matter the Board deems appropriate. The Risk Management Committee shall also review and approve insurance procurement as required by the Board mandated insurance program and serve as the liaison between Wakefern, its Stockholders, and Insure-Rite, LTD Board of Directors relative to risk mitigation and risk transfer strategies.

Section 9. Other Committees. In addition to the standing committees of the Board of Directors ("Standing Committees"), the Board of Directors may from time to time create such other corporate committees ("Corporate Committees" and, together with Standing Committees, collectively, "Committees") composed of not less than three (3) individuals who are affiliated with Stockholders of Wakefern either as directors, officers or employees of such Stockholders (hereinafter referred to as "Stockholder affiliates"), to advise the Board of Directors, and the officers and associates of Wakefern, with respect to such matters as the Board of Directors shall deem advisable and with such functions, powers and authority as the Board of Directors shall prescribe; provided, however, that no such Corporate Committee shall exercise any of the powers or authority of the Board of Directors in the management of the business and affairs of Wakefern.

Section 10. Rules and Procedures.

(a) Each Committee member must execute a Letter Agreement for Committee Appointment, setting forth the obligation to act in the best interest of Wakefern and maintain the confidentiality of Wakefern's proprietary information, in form and substance approved by the Chairperson of the Board.

(b) Unless otherwise specifically provided in these By Laws, a quorum of any Committee of the Board shall consist of one (1) more than a majority of the members of such Committee, present in person or by phone or similar communications equipment by means of which all individuals participating in the meeting can hear and speak to each other, and action shall require the affirmative vote of a majority of the members thereof present and voting at a meeting at which a quorum is present.

(c) The Nominating and Governance Committee shall recommend, and the Board of Directors shall designate one (1) member of each Standing Committee and Corporate Committee to be such Committee's chairperson, who shall preside over the meetings of such Committee. The Committee chairperson shall be responsible for calling and scheduling meetings of the Committee and providing the committee with a written agenda for each meeting. Notwithstanding the foregoing, the Committee chairperson shall provide at least forty-eight (48) hours prior notice of any meeting, or such shorter notice as shall be approved by the Committee. The Nominating and Governance Committee may recommend, and the Board of Directors shall designate one (1) or more Vice Chairperson of each Standing Committee and Corporate Committee who shall assist the chairperson of the committee. In the absence of the chairperson at a duly convened Committee meeting, the Vice Chairperson shall serve as chairperson of the meeting, or, in the absence of a Vice Chairperson, the Committee shall elect a member of the Committee to serve as chairperson for that meeting.

(d) Each Committee shall meet as often as may be deemed necessary or appropriate, and each Committee chairperson shall present a report on such Committee's activities and proceedings when requested by the Board of Directors at regularly scheduled or special meetings of the Board of Directors.

(e) Except as otherwise provided in these By Laws, the Chairperson of the Board or Board of Directors shall have the power to change the number of members of any Corporate Committee, to fill Committee vacancies and the Board of Directors shall have the power to discharge any such Committee, either with or without cause, at any time. Any member of a Standing Committee may be removed therefrom at any time, with or without cause, by the affirmative vote of no less than fourteen (14) Directors of Wakefern.

ARTICLE VII

EXECUTIVE OFFICERS AND OPERATING OFFICERS

Section 1. Number. The Executive Officers of Wakefern shall be a Chairperson of the Board, one (1) or more Vice Chairpersons, a Secretary and a Treasurer. The Board of Directors shall determine the number of Vice Chairpersons and may from time to time elect such other Subordinate Executive Officers as it may deem desirable, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers. The Operating Officers of Wakefern shall be the President, Executive Vice President, if one is appointed, General Counsel, and Chief Financial Officer, and such subordinate officers as may be appointed in accordance with the provisions of Section 2 of this Article VII. Except as otherwise prohibited by the New Jersey Business Corporation Act or these By Laws, one (1) individual may hold the offices and perform the duties of any two (2) or more of said officers.

Section 2. Subordinate Operating Officers. In addition to the Operating Officers enumerated in Section 1 of this Article VII, Wakefern may have such subordinate officers as the President may deem necessary (including, but not limited to, one (1) or more Senior Vice Presidents and Vice Presidents), each of which Subordinate Operating Officers shall have such authority and perform such duties as are determined by the President. The President shall have

the power to appoint or remove the General Counsel, the Chief Financial Officer, or any Subordinate Operating Officer.

Section 3. Qualifications, Election and Term of Office. Only individuals (a) who are Directors of Wakefern and (b) who beneficially own five percent (5%) or more of the voting equity of a Stockholder shall be eligible to be Chairperson of the Board, a Vice Chairperson, Secretary, an Assistant Secretary, Treasurer, an Assistant Treasurer or other executive officer. No Operating Officer shall be a Director of Wakefern. Unless otherwise approved by the affirmative vote of no less than fourteen (14) Directors, no Operating Officer shall be affiliated with any Stockholder, whether by equity ownership, officership, directorship, employment, family relationship by blood or marriage, or otherwise. Except for General Counsel, Chief Financial Officer, and Subordinate Operating Officers who shall be appointed by the President as set forth in Section 2 of this Article VII, all Executive Officers and the President and Executive Vice President, shall be elected by the Board of Directors. Each officer shall hold office until a successor is chosen and shall have qualified or until the officer's earlier death, resignation or removal.

Section 4. Removal. Any officer elected by the Board of Directors may be removed, either with or without cause, at any time, by the affirmative vote of no less than fourteen (14) Directors.

Section 5. Resignations. Subject to the terms of any agreement as to the officer's services, any officer elected by the Board of Directors or by the President and any subordinate officer may resign at any time by giving written notice to the Board of Directors or the President, respectively. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein; and, unless otherwise specified therein; the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these By Laws for election or appointment to such office.

Section 7. The Chairperson of the Board. The Chairperson of the Board shall preside at all meetings of the Stockholders and of the Board of Directors. Subject to the direction of the Board of Directors, the Chairperson of the Board shall be a liaison between the Board of Directors and the President, provide general leadership and guidance in matters of policy and planning to the Board of Directors for its action and decision, and provide guidance to the President between meetings of the Board of Directors. Except as otherwise provided in these By Laws, in the absence or disability of the Chairperson of the Board, the Chairperson's duties shall be performed and powers may be exercised by the most senior Vice Chairperson able to perform such duties and exercise such powers. The Chairperson of the Board shall also have such other powers and perform such other duties as are prescribed by these By Laws or as from time to time may be assigned to the Chairperson of the Board by the Board of Directors. The Nominating and Governance Committee shall recommend to the Board of Directors, and the Board of Directors, by an affirmative vote of no less than fourteen (14) Directors, shall elect the individual to serve as Chairperson of the Board. No individual chosen to serve as Chairperson of the Board shall serve more than four (4) years in succession, unless that individual is reelected in the fifth year, after

such four (4) year period, by an affirmative vote of at least fourteen (14) Directors. No individual shall serve more than eight (8) years in succession.

Section 8. The Vice Chairpersons. The Board of Directors shall elect one or more Vice Chairpersons whose seniority shall be determined by the order of their nomination and election in each year of appointment. Each Vice Chairperson shall assist the Chairperson of the Board and shall have such powers and perform such duties as may, from time to time, be assigned to such Vice Chairperson by the Board of Directors or the Chairperson of the Board. In the absence or disability of the Chairperson of the Board, the most senior Vice Chairperson shall preside at all meetings of the Stockholders and of the Board of Directors and perform all duties and exercise all powers of the Chairperson of the Board.

Section 9. The President. Subject to the direction of the Board of Directors, the President shall perform or have performed all duties incident to the day-to-day management of the operations of Wakefern and shall make recommendations on matters of policy and planning to the Board of Directors and Executive Officers. In the absence or disability of the President, the President's duties shall be performed and powers may be exercised by the Executive Vice President, if one is currently appointed, or by any officer designated by the Board of Directors. The President also shall have such other powers and perform such other duties as are prescribed by these By Laws or as from time to time may be assigned to the President by the Board of Directors.

Section 10. The Executive Vice President. The Executive Vice President, if one is appointed, shall assist the President in the day-to-day management of the business operations of Wakefern and shall have such powers and perform such duties as may, from time to time, be assigned to the Executive Vice President by the Board of Directors or the President. In the absence or disability of the President, the Executive Vice President shall perform all duties and exercise all powers of the President.

Section 11. The Secretary. The Secretary shall keep or cause to be kept, in hard copy or electronic format, the minutes of the meetings of the Stockholders, of the Board of Directors and of all committees created by the Board of Directors; shall give, or cause to be given, all notices required by the provisions of these By Laws or as required by law; shall be custodian of the records and of the seal of Wakefern and see that the seal is affixed to all documents the execution of which on behalf of Wakefern under its seal is duly authorized; shall keep or cause to be kept a register of the name and post office address of each Stockholder, and make or cause to be made all proper changes in such register; shall see that the books, reports, statements, certificates and all other documents and records required by law are properly kept and filed; and in general, shall perform all duties incident to the office of Secretary and shall have such other powers and perform such other duties as are prescribed by these By Laws or as from time to time may be assigned to the Secretary by the Board of Directors or the Chairperson of the Board.

Section 12. Assistant Secretaries. The Assistant Secretaries shall have such powers and perform such duties as are prescribed by these By Laws or as from time to time may be assigned to them by the Board of Directors or the Chairperson of the Board.

Section 13. The Treasurer. The Treasurer shall give such bond, if any, for the faithful performance of the Treasurer's duties as the Board of Directors or the Chairperson of the Board shall require. The Treasurer shall have charge of, and be responsible for, all funds and securities of Wakefern, and shall ensure deposit of all such funds in the name of Wakefern in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By Laws; shall render a statement of the condition of the finances of Wakefern at all regular meetings of the Board of Directors, if called upon to do so, and a full financial report at the annual meeting of the Stockholders if called upon to do so; shall be responsible for receiving, and giving receipts for, monies due and payable to Wakefern from any source whatsoever; and, in general, shall perform all the duties incident to the office of Treasurer and shall have such other powers and perform such other duties as are prescribed by these By Laws or as from time to time may be assigned to the Treasurer by the Board of Directors or the Chairperson of the Board.

Section 14. Assistant Treasurers. Each of the Assistant Treasurers shall give such bond, if any, for the faithful performance of the Assistant Treasurer's duties as the Board of Directors or the Chairperson of the Board shall require. The Assistant Treasurers shall have such powers and perform such duties as are prescribed by these By Laws or as from time to time may be assigned to them by the Board of Directors or the Chairperson of the Board.

Section 15. Remuneration of Directors. No member of the Board of Directors, whether or not an executive officer, shall at any time receive any salary, compensation for services, benefit or gain while a member of the Board of Directors.

Section 16. General Counsel. The General Counsel shall be the chief legal officer of Wakefern and shall be responsible for all matters of legal import concerning Wakefern. The General Counsel shall report to the President and and communicate to the Chairperson of the Board and Board of Directors. The General Counsel shall perform all duties incident to the position of general counsel and, among other things, shall be responsible for: (i) establishing and enforcing, under the direction of the Finance and Credit Committee, the Compliance Program, (ii) establishing standards and procedures to prevent and detect improper conduct, (iii) using reasonable efforts not to include within Wakefern's management, Board of Directors, and positions of substantial authority any individual who has engaged in illegal activities or other conduct inconsistent with the Compliance Program, (iv) communicating periodically to Wakefern's management, Chairperson of the Board, Board of Directors, employees and agents, and generally educating such individuals, with respect to Wakefern's standards and procedures and other aspects of the Compliance Program, (v) monitoring and periodically evaluating the effectiveness of these standards and procedures and the Compliance Program for compliance with the U.S. Federal Sentencing Guidelines, as amended (the "Sentencing Guidelines"), and recommending to the Board of Directors any changes or revisions to such policies and procedures and the Compliance Program that may be deemed, warranted or necessary, (vi) promoting and enforcing the Compliance Program, (vii) if improper conduct is detected, taking reasonable steps to respond appropriately to the improper conduct and preventing further similar improper conduct, including making any necessary modifications to the Compliance Program, and (viii) periodically assessing the risk of improper conduct and taking any other action as may be necessary to ensure that Wakefern has established an "Effective Compliance and Ethics Program", as set forth in § 8B2.1, or any other applicable Section of the Sentencing Guidelines.

Section 17. Chief Financial Officer. The Chief Financial Officer shall be the principal financial officer of Wakefern. He or she shall render such accounts and reports as may be required by the Board of Directors or any committee of the Board. The financial records, books and accounts of Wakefern shall be maintained subject to the Chief Financial Officer's direct or indirect supervision. The Chief Financial Officer shall also be responsible for the following (as each such calculation or determination is required by the Stockholders' Agreement): (i) calculating each Stockholder's Minimum Patronization Requirements and determining whether each such Stockholder's Purchase Volume equals or exceeds such Minimum Patronization Requirements; (ii) calculating any Withdrawal Payment in connection with a Withdrawal; (iii) calculating any Sale of a Store Payment; and (iv) determining whether any store is an Underfacilitated Store. The Chief Financial Officer shall report to the President and communicate to Chairperson of the Board, the Finance and Credit Committee and Board of Directors.

ARTICLE VIII

CONTRACTS, CHECKS, BANK ACCOUNTS, ETC.

Section 1. Authority to Execute Contracts, Etc. The Board of Directors may authorize any officer or officers, agent or agents, or employee or employees of Wakefern to enter into any contract or execute and deliver any instrument in the name and on behalf of Wakefern, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of Wakefern shall be signed on behalf of Wakefern by such officer or officers, or employee or employees, of Wakefern as shall from time to time be determined by resolution of the Board of Directors. Each of such officers and employees shall give such bond, if any, as the Board of Directors may require.

Section 3. Deposits. All funds of Wakefern shall be deposited from time to time to the credit of Wakefern in such banks, trust companies or other depositories as the Board of Directors may from time to time designate, and, for the purpose of such deposit, any individual designated by the Board of Directors may endorse, assign and deliver checks, drafts, and other orders for the payment of money which are payable to the order of Wakefern.

Section 4. General and Special Bank Accounts. The Board of Directors may from time to time authorize the opening and keeping with such banks, trust companies or other depositories as it may designate of general and special bank accounts, and it may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these By Laws, as it may deem expedient.

Section 5. Voting Securities of Other Corporations. Unless otherwise provided by resolution of the Board of Directors, the Board of Directors may from time to time appoint an agent or agents of Wakefern, in the name and on behalf of Wakefern, to cast the votes, which Wakefern may be entitled to cast as a holder of equity or otherwise, in any other entity any of whose shares, securities or other voting interests may be held by Wakefern, at meetings of the holders of the shares, securities or other voting interests of such other entity, or to consent or

dissent in writing to any action by such other entity, and may instruct the individual or individuals so appointed as to the manner of casting such votes or giving such consent or dissent, and may execute or cause to be executed in the name and on behalf of Wakefern and under its corporate seal, or otherwise, all such written proxies or other instruments as the Board of Directors may deem necessary or proper.

ARTICLE IX

RESTRICTIONS ON TRANSFER OF STOCK

Section 1. Restrictions on Transfers. No shares of capital stock of Wakefern shall be sold, assigned, transferred, pledged, or otherwise disposed of or encumbered (whether by operation of law or otherwise), except in a manner required or expressly permitted by this Article.

Section 2. Pledge of Wakefern Stock. The certificates representing the shares of capital stock of Wakefern owned by each Stockholder shall at all times be pledged to and held by Wakefern and shall remain in Wakefern's possession. The certificates representing such shares shall be duly endorsed to Wakefern by each Stockholder or shall have stock powers attached to such certificates duly endorsed to Wakefern by such Stockholder. At such time as the Stockholder shall be required to sell or deliver all of the shares of capital stock of Wakefern owned by such Stockholder, Wakefern shall, without notice or demand, be authorized and entitled to take such action as shall be necessary to transfer title to such shares to Wakefern. Upon the request of the Board of Directors, each Stockholder shall execute and deliver to Wakefern such agreements, documents or other papers necessary to further effectuate the pledge arrangement created hereby.

Section 3. Right of Wakefern to Require Sale of All Stock. Wakefern shall have the right and option at any time to purchase all, but not less than all, of the shares of capital stock of Wakefern owned by any Stockholder upon the affirmative vote of no less than fourteen (14) members of the Board of Directors then holding office at a special meeting duly called upon written notice setting forth such purpose, but only in the event that the Board of Directors affirmatively finds that good cause exists for requiring such Stockholder to sell its stock to Wakefern and terminate its relationship with Wakefern. For purposes of this Section 3, good cause shall mean any of the following:

(a) the filing of a petition for relief under Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (as currently enacted or subsequently amended) by or against the Stockholder; or the consent, acquiescence or taking of any action by the Stockholder, or the filing by or against the Stockholder of any petition or action looking to or seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any other present or future statute, law or regulation; or the appointment, with or without the consent of the Stockholder, of any trustee, custodian, receiver or liquidator of the Stockholder or any property or assets of the Stockholder; or if the Stockholder shall make an assignment for the benefit of creditors or shall be unable to pay its debts as they become due; or

(b) if the Stockholder shall no longer be engaged in the operation of a Wakefern Branded Store; or

(c) if the Stockholder or person controlling the Stockholder, directly or indirectly through one or more intermediaries or subsidiaries, (1) controls, is active in the management of, sits on the board of directors of, or owns or acquires more than 4.9% of the capital stock or any class of voting stock of any person which, directly or indirectly through one or more intermediaries or subsidiaries, owns or operates (i) one or more supermarkets or retail food outlets, other than a Wakefern Branded Store, in any of the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, Connecticut, Massachusetts, Rhode Island, Vermont, New Hampshire or Maine or in Washington, D.C., or (ii) a chain of 25 or more supermarkets other than Wakefern Branded Stores, in the United States or (2) such Stockholder or person controlling such Stockholder discloses to such other person (described in clause (1) hereof) confidential information in respect of the business or operations of Wakefern or its affiliates; or

(d) if all or any part of the capital stock of Wakefern owned by a Stockholder shall be transferred in a manner that would not be permitted under Section 9 of this Article; or

(e) if, within thirty (30) days after the Board of Directors notifies the Stockholder in writing of the Board's determination that the Stockholder has violated or failed to perform or observe, in any material respect, any provision of these By Laws, any rules, regulations or mandates adopted by the Board of Directors or any Committee established by these By Laws (including, without limitation, the Wakefern Investment Policy and any policy relating to standards of ethical business conduct), or any agreement with Wakefern to which such Stockholder, or any business in which such Stockholder has a controlling interest, is a party, including, without limitation, any trademark license agreement or stock pledge agreement, such Stockholder shall not have completely remedied such violation or failure to perform or observe or if such violation or failure to perform or observe is non-financial in nature, such Stockholder shall not have promptly commenced and diligently pursued all steps necessary to remedy such violation or failure to perform or observe; or

(f) if the Stockholder or person controlling the Stockholder, directly or indirectly through one or more intermediaries or subsidiaries, owns or acquires more than 4.9% of the capital stock or any class of voting stock and/or takes part in the management or serves on the board of directors of any person which, directly or indirectly through one or more intermediaries or subsidiaries, owns or operates a business that competes with Wakefern or Wakefern Branded Stores in any of the States enumerated in Section 3(c) of this Article IX, or such Stockholder discloses to such other person confidential information in respect of the business or operations of Wakefern or its affiliates;

(g) if a Stockholder, a person either directly or indirectly through one or more intermediaries or subsidiaries, controlling a Stockholder or a person either directly or indirectly through one or more intermediaries or subsidiaries, who owns five percent (5%) or more of the voting equity of a Stockholder and who is active in the management of such Stockholder (i) gives Wakefern written notice of termination of any of the guarantees of the obligations, debts or liabilities of such Stockholder previously given to Wakefern, or (ii) having been requested by Wakefern (acting by majority vote of the Board of Directors of Wakefern) to provide such a guarantee to Wakefern and/or to secure such guarantee, fails to do so within thirty (30) days after being notified of such request; or

(h) if (i) a Stockholder shall sell or otherwise dispose of all or substantially all of the Wakefern Branded Store or related business of such Stockholder in a single transaction or in a series of related transactions, or (ii) a Stockholder shall merge or consolidate with another entity (irrespective of whether such Stockholder is the surviving, resulting or disappearing entity), or (iii) a Stockholder shall transfer, or undertake any transaction or series of transactions that have the effect of transferring, control in such Stockholder, and if any Acquiring Party in any of the transactions described in (i), (ii) or (iii) is an Unqualified Successor. In the event any such transaction involving a Stockholder is contemplated, such Stockholder shall give written notice thereof to Wakefern (the "Transaction Notice"), which Transaction Notice shall contain information regarding the proposed transaction and each proposed Acquiring Party, including an identification and business experience resume of New Management, all in sufficient detail to enable the Board of Directors to make an informed decision as to whether or not such Acquiring Party is an Unqualified Successor. If, within forty five (45) days following receipt of the Transaction Notice, Wakefern shall not have notified such Stockholder that the Board of Directors has concluded that the Acquiring Party is an Unqualified Successor, the transaction described in the Transaction Notice shall not, if consummated in the manner described in the Transaction Notice, constitute good cause under this Section 3. Notwithstanding the foregoing, if any transaction of the type described in the first sentence of this subparagraph (h) is to be undertaken by a Stockholder or a person controlling such Stockholder with a proposed Acquiring Party, which is itself a Stockholder or a person controlling such Stockholder, the Acquiring Party shall be deemed not to be an Unqualified Successor unless either: (1) the combined volume of purchases from Wakefern of the Stockholder and the Acquiring Party during the most recently completed fiscal year of Wakefern prior to the Transaction Notice (which shall be required to be given as provided above) is equal to or greater than thirty percent (30%) of Wakefern's total sales during such fiscal year, and, if such combined sales exceed such percentage, the Acquiring Party shall *ipso facto* be deemed to be an Unqualified Successor, without regard to any of the criteria set forth in the preceding sentence; or (2) the Board of Directors, by an affirmative vote of no less than fourteen (14) Directors, concludes or finds that the combined business of the transferring Stockholder and the Acquiring Party would not be of sound financial condition or with respect to which the continued granting of credit by Wakefern would pose a serious risk of loss to Wakefern, or (3) the Acquiring Party fails to comply with any reasonable conditions the Board deems necessary or appropriate to protect the interests of and prevent any serious risk of loss to Wakefern, which conditions may be imposed by the Board of Directors in giving its approval to any such transfer (such as, additional collateral security for Wakefern); or

(i) if a Stockholder withdraws or is in breach of the Stockholders' Agreement, and such Stockholder is required to make a Withdrawal Payment to Wakefern pursuant to the terms of the Stockholders' Agreement. If the amount of such Withdrawal Payment exceeds the price at which Wakefern shall purchase such Stockholders' stock as determined by Section 6 of this Article, no payment shall be made to the Stockholder for such Stockholder's stock, and the price that would otherwise have been paid to such Stockholder shall be credited against such Stockholders' Withdrawal Payment under the Stockholders' Agreement; or

(j) if any report or a certificate required to be submitted to Wakefern under these By Laws, the rules and regulations of Wakefern or any agreement with Wakefern knowingly or fraudulently misrepresents or fails to state any material fact; or

(k) if a Stockholder or any person directly or indirectly owning or controlling such Stockholder shall fail to notify Wakefern in writing within ten (10) business days after it has become aware of (i) any person acquiring five percent (5%) or more of the equity capital or any class of voting securities of such Stockholder, (ii) any person owning five percent (5%) or more of the equity capital or any class of voting securities of such Stockholder acquiring an additional two percent (2%) or more of the capital stock or any class of voting securities of such Stockholder, (iii) any change in the executive officers of such Stockholder or (iv) any person owning five percent (5%) or more of the equity capital or any class of voting securities of a Stockholder (1) acquiring or owning more than fifteen (15%) of the equity capital or any class of voting securities of any supplier of Wakefern or (2) taking part in the management of such supplier. For the purposes of this Section 3(k), in order for the notice provision contained in clause (iv) to be effective, such person must agree in a certificate accompanying such notice to refrain from influencing Wakefern in any matter pertaining to the relationship between Wakefern and such supplier; or

(l) if a Stockholder shall be in breach of any term or condition contained in Section 12 of Article IX; or

(m) if a Stockholder shall fail or refuse to pay any invoice of Wakefern as set forth in Article XIII, within five (5) calendar days after written notice of default is given by Wakefern.

Promptly following such affirmative vote by the Board of Directors to purchase all of the shares of capital stock of Wakefern owned by such Stockholder, as above provided, written notice thereof (the "Notice of Purchase") shall be given to such Stockholder, at the Stockholder's address on the Stockholder records of Wakefern, by registered or certified mail, return receipt requested, or by overnight courier service. Upon receipt of such notice, such Stockholder shall thereupon be obligated to sell, assign, transfer and deliver to Wakefern, and Wakefern shall thereupon be obligated to purchase, all of the shares of capital stock of Wakefern owned by such Stockholder out of funds legally available therefore at the price specified in Section 6 of this Article, which price shall be payable in the manner provided in Section 7 of this Article.

Section 4. Right of Wakefern to Require Sale By Stockholder of Part of Class B Stock and Class C Stock. (a) If at any time the investment of a Stockholder in Wakefern Class B or Class C Stock exceeds the minimum investment required under the Wakefern Investment Policy, as then in effect, Wakefern shall have the right, exercisable by Notice of Purchase sent by registered or certified mail, return receipt requested, or by overnight courier service, to require such Stockholder to sell to Wakefern the number of shares of such stock constituting such Stockholder's excess investment.

(b) The purchase price payable to the Selling Stockholder for such Stockholder's excess investment stock and the manner of payment thereof shall be determined pursuant to Sections 6 and 7 of this Article.

Section 5. Right of Stockholder to Sell Stock and Indebtedness to Wakefern. (a) Each Stockholder shall have the right at any time to require Wakefern to purchase all, but not less than all, of such Stockholder's capital stock and indebtedness of Wakefern out of funds legally

available therefor. For purposes hereof, such indebtedness shall include demand loans made by the Stockholder to Wakefern and certificates of indebtedness of Wakefern issued to the Stockholder to evidence Wakefern's obligation to issue additional capital stock to the Stockholder.

(b) The right of a Stockholder to sell stock and indebtedness to Wakefern pursuant to this Section shall be exercisable by written notice from the Selling Stockholder to Wakefern (the "Notice of Sale"), addressed to the Chairperson of the Board at the principal office of Wakefern, sent by registered or certified mail, return receipt requested, or by overnight courier service. Wakefern shall consummate the purchase of the Selling Stockholder's stock and indebtedness at a time and date to be determined in the sole discretion of Wakefern, but in no event sooner than thirty (30) days or later than ninety (90) days after Wakefern's receipt of the Selling Stockholder's Notice of Sale.

(c) The purchase price payable to the Selling Stockholder for such Stockholder's stock and the manner of payment thereof shall be determined pursuant to Sections 6 and 7 of this Article. The purchase price payable to the Selling Stockholder for indebtedness of such Stockholder shall be the face or principal amount thereof plus accrued interest thereon, if any, to the date of payment.

Section 6. Purchase Price For Stock. The purchase price for each share of Wakefern stock purchased by Wakefern from a Stockholder pursuant to Sections 3, 4 or 10 of this Article shall be the higher of (1) One Hundred Dollars (\$100.00) or (2) the book value of such share as of the last day of the most recently completed fiscal year of Wakefern next preceding the date on which Wakefern gives a Notice of Purchase to such Stockholder pursuant to Sections 3, 4 or 10 of this Article, as the case may be. The determination of book value shall be made by the then acting Chief Financial Officer in accordance with generally accepted accounting principles consistently applied. In the event of a dispute, the determination of book value shall be reviewed by the independent public accountants chosen by Wakefern, in accordance with generally accepted accounting principles, consistently applied, which determination shall be final, conclusive and binding upon the Selling Stockholder and Wakefern. Upon receipt by Wakefern of such accountant's written report of such determination, a copy thereof shall be promptly delivered to the Selling Stockholder. The purchase price for each share of Wakefern capital stock purchased by Wakefern from a Stockholder pursuant to Section 5 of this Article shall be One Hundred Dollars (\$100.00).

Section 7. Payment of Purchase Price.

(a) Wakefern shall notify the Selling Stockholder of the time and date of the closing of each sale pursuant to this Article (the "Closing"), by written notice to the Selling Stockholder sent by registered or certified mail, return receipt requested, or by overnight courier service, to the Selling Stockholder at its address appearing on the share records of Wakefern not less than thirty (30) days prior to date of the Closing. Each Closing shall take place at the principal office of Wakefern.

(b) In the event of the purchase of shares of stock by Wakefern from a Selling Stockholder pursuant to Sections 3, 4 or 10 of this Article, the total purchase price for the Selling Stockholder's stock and indebtedness shall be paid to the Selling Stockholder at the Closing.

(c) In the event of the purchase of shares of stock by Wakefern pursuant to Section 5 of this Article, the total purchase price shall be paid as follows:

(1) In the case of a Selling Stockholder whose dollar volume of purchases from Wakefern was less than three percent (3%) of Wakefern's total net sales during the fiscal year of Wakefern next preceding the fiscal year of Wakefern in which the Notice of Sale pursuant to Section 5 of this Article is received, the total purchase price for such Selling Stockholder's stock and indebtedness shall be paid to such Stockholder at the Closing.

(2) In the case of a Selling Stockholder whose dollar volume of purchases from Wakefern was equal to or in excess of three percent (3%), but less than five percent (5%), of Wakefern's total net sales during the fiscal year of Wakefern next preceding the fiscal year of Wakefern in which the Notice of Sale pursuant to Section 5 of this Article is received, the total purchase price for such Selling Stockholder's stock and indebtedness shall be paid in a lump sum, without interest, to such Stockholder on the first anniversary of the Closing.

(3) In the case of a Selling Stockholder whose dollar volume of purchases from Wakefern was equal to or in excess of five percent (5%), but less than ten percent (10%), of Wakefern's total net sales during the fiscal year of Wakefern in which the Notice of Sale pursuant to Section 5 of this Article is received, the total purchase price for such Selling Stockholder's stock and indebtedness shall be paid in a lump sum, to such Stockholder on the second anniversary of the Closing, which payment shall be made together with interest thereon from the first anniversary of the Closing to the date of payment at a rate per annum equal to two (2) percentage points below the Prime Rate; provided, however, that the rate of interest payable to such Stockholder shall in no event exceed ten percent (10%) per annum.

(4) In the case of a Selling Stockholder whose dollar volume of purchases from Wakefern was equal to or greater than ten percent (10%) of Wakefern's total net sales during the fiscal year of Wakefern in which the Notice of Sale pursuant to Section 5 of this Article is received, the total purchase price for such Selling Stockholder's stock and indebtedness shall be paid in a lump sum to such Stockholder on the third anniversary of the Closing, which payment shall be made together with interest thereon from the first anniversary of the Closing to the date of payment at a rate per annum equal to two (2) percentage points below the Prime Rate; provided, however, that the rate of interest payable to such Stockholder shall in no event exceed ten percent (10%) per annum.

(d) Upon the determination of the Board of Directors in accordance with Section 3 of this Article that a Stockholder is required to sell its stock to Wakefern, or upon the sale of any shares to Wakefern by a Stockholder, any and all indebtedness or other obligations

owed to Wakefern by the Selling Stockholder, including, without limitation the Withdrawal Payment, shall immediately become due and payable without demand or notice. Wakefern shall be entitled to deduct from the payment of the purchase price payable to the Selling Stockholder the full amount of such indebtedness or obligations. Nothing herein shall limit or prevent Wakefern from exercising all remedies available to it by law or in equity or in accordance with any agreement for the collection of any indebtedness, all prior to the payment by Wakefern of the purchase price payable to the Selling Stockholder.

(e) In the event that at any time the capital surplus of Wakefern shall be insufficient to enable Wakefern to purchase or make any payment due with respect to shares of Wakefern which it is obligated or elects to purchase pursuant to this Article, Wakefern shall forthwith, at such times as may be necessary, take appropriate steps, if legally possible, to effect a sufficient reduction of its stated capital to enable such purchase or payment to be made.

Section 8. Cessation of Dealing with Wakefern. Effective upon the Closing of the purchase by Wakefern of all the shares of stock of a Stockholder, or upon the determination of the Board of Directors in accordance with Section 3 of this Article that such Stockholder is required to sell its stock to Wakefern, its relationship with Wakefern shall be terminated. Thereupon, Wakefern shall cease to be obligated to sell merchandise to said Selling Stockholder or to provide any other services which are rendered or provided by Wakefern to its Stockholders generally. Anything herein or in Article XII of these By Laws to the contrary notwithstanding, the Board of Directors in its sole discretion and upon the request of a Selling Stockholder, may, but shall not be obligated to permit such Selling Stockholder to continue to receive merchandise and/or services from Wakefern for such period and upon such terms and conditions as the Board shall determine.

Section 9. Permissive Transfers of Stock. Any Stockholder may, subject to the approval of the Board of Directors, sell, transfer, or assign, all or any part of its capital stock of Wakefern to an Acquiring Party who is not an Unqualified Successor; provided, however, that such Stockholder or any proposed transferee shall not be in default of the performance of any obligations or observance of any provision of these By Laws, any rules or regulations adopted by the Board of Directors or any committee thereof established by these By Laws (including, without limitation, the Wakefern Investment Policy and payment policies), or any agreement with Wakefern to which such Stockholder or transferee, or any business in which such Stockholder or transferee has a controlling interest, is a party, including, without limitation, any trademark license agreement, stock pledge agreement or supply and security agreement. Each permitted transferee must execute and deliver to Wakefern an agreement, on a form prescribed by the Board of Directors, to observe and abide by these By Laws, as amended from time to time, all rules and regulations of Wakefern and all agreements with Wakefern (including guarantees) to which the transferor Stockholder is party at the time of such transfer.

Section 10. Mandatory Reacquisition of Class A Stock In Certain Events. (a) If at any time the control of a Stockholder is transferred, directly or indirectly, to one (1) or more other Stockholder(s), the Class A Stock of such acquired Stockholder, and of the equity holders of such acquired Stockholder immediately prior to such acquisition, shall, as of the effective date of such change of control, be deemed to have been offered for sale to Wakefern, and Wakefern shall be deemed to have accepted such offer.

(b) If at any time a Stockholder transfers, directly or indirectly, any substantial part of its supermarket assets and business to one (1) or more other Stockholders or persons controlling such other Stockholder(s), the Class A Stock of such transferring Stockholder and of the persons who were equity holders of such transferring Stockholder immediately prior to such transfer shall, as of the effective date of such transfer, be deemed to have been offered for sale to Wakefern, and Wakefern shall be deemed to have accepted such offer.

(c) The purchase price payable for a Stockholder's Class A Stock and the manner of payment thereof shall be determined pursuant to Sections 6 and 7 of this Article.

Section 11. Reissuance and Sale of Class A Treasury Stock To Stockholders. In the event Wakefern shall acquire Class A Stock from any Stockholder, such Class A Stock shall be resold by Wakefern as soon thereafter as is practicable, but in any event no later than three (3) months following such acquisition. Since it is in the best interests of Wakefern and its Stockholders that the Class A Stock be evenly distributed among the Stockholders (irrespective of class), reacquired Class A shall be offered for resale by Wakefern to those Stockholders designated by the Board in a manner to avoid concentration in the ownership of Class A Stock and result in the widest possible distribution of Class A Stock among all Stockholders of Wakefern. The sales price of each share of stock resold pursuant to the provisions of this Section 11 shall be One Hundred Dollars (\$100.00).

Section 12. Estate Plan Compliance Certification.

In order to perpetuate the model that has made the Wakefern cooperative successful, this provision is designed to encourage the continuation of each Stockholder as a family owned and operated business by ensuring succession plans that ultimately result in the transfer of capital stock of Wakefern to Stockholders that are not Unqualified Successors. The intent is to give persons who own or control Stockholders flexibility to transfer Stockholder interests pursuant to a modern estate plan, while at the same time, give the Board flexibility not to deny a transfer of ownership or control of a Stockholder where there may be an interim period of the risk of transfer to an Unqualified Successor, provided: (i) there is a reasonable plan to transfer ownership or control to a person who is not an Unqualified Successor, and (ii) the Stockholder continues to be subject to the Stockholders' Agreement, By Laws, Trademark License Agreements, etc. The purpose of the process outlined below is to give Wakefern an early indication of possible succession and estate planning issues and the ability for the Stockholder and Wakefern to prepare for possible issues before they arise. The provisions are not intended to eliminate or restrict the rights granted elsewhere in these By Laws to transfer Stockholder interests but are meant to allow and encourage equity owners of Stockholders to create succession and estate plans even where there is not an immediate successor that is not an Unqualified Successor.

(a) Each Stockholder shall ensure that each Interested Person in such Stockholder shall deliver to Wakefern a certification (the "Annual Certification"), representing and warranting to Wakefern compliance with the provisions of this Section 12. The Annual Certification shall be delivered to Wakefern on or before December 31st of each calendar year, unless otherwise directed by the Board of Directors, and shall represent and warrant to Wakefern the following:

(i) that the execution of the Annual Certification has been duly authorized by such Stockholder or Interested Person and that the individual executing the Annual Certification is executing on behalf of such Interested Person;

(ii) that the Interested Person has in effect, is governed by or is subject to an estate plan that provides, either individually or taken as a whole with the estate plans of other Interested Persons, for the eventual transfer, consistent with these By Laws and the Stockholders' Agreement, of all or part of the Stockholder's interests in Wakefern, including, without limitation, (A) the capital stock of Wakefern owned by such Stockholder, and (B) such Stockholder's or Interested Person's Supermarket Interests (collectively, the "Wakefern Interests") to one or more Acquiring Parties that is not an Unqualified Successor;

(iii) if a trust or similar entity holds or will receive or otherwise become entitled to hold all or part of such Stockholder's or Interested Person's Wakefern Interests as part of an estate plan, then the agreements, instruments or other documents governing such trust (collectively, the "Trust Documents") contain a valid and binding provision, to the effect that:

(A) the grantor of the trust has disclosed to the trustee(s), and the trustee(s) have acknowledged and agreed to be bound in writing by, the obligations of such Stockholder under these By Laws and the Stockholders' Agreement, including, without limitation, the obligation to abide by the requirements of the estate under the existing written guarantees of the grantor personally guarantying the payment of the obligations, debts and liabilities of the Stockholder to Wakefern;

(B) the trustee(s) of such trust have agreed in writing, and any successor trustee(s) will be required by Trust Documents to agree in writing as a condition to becoming trustee(s), to be bound by these By Laws and the Stockholders' Agreement in connection with their service as trustee(s);

(C) Except for distributions allowable if and to the extent the Stockholder is treated as a pass through entity and in such event solely in an amount equal to the amount of Federal, state and local income taxes payable by the beneficiaries by reason of the income of the Stockholder (as a result of the pass-through treatment of income of the Stockholder) any Current Beneficiary of the trust of who is of legal age and is entitled to receive five (5%) percent or more of the distributions from or as a result of Supermarket Interests shall confirm the obligations of the Stockholder by personally guarantying the payment of the obligations, debts and liabilities of the Stockholder to Wakefern;

(D) the trustee(s) have the right, and are required pursuant to the Trust Documents, which requirement they acknowledge in writing, to hold and/or administer the Stockholder's or Interested Person's Wakefern Interests, without regard to any legal requirements governing investments that may otherwise apply to the trustee(s) to (1) diversify the trust's assets or (2) acquire and hold assets that

satisfy a particular standard, including, without limitation, the “prudent investor” standard; and

(E) as a controlling person of such Stockholder or Interested Person, the trustee(s) and any successor trustee(s) or any beneficiary(ies) with appropriate trust authority shall: (1) not be an Unqualified Successor(s); (2) be directed by the Trust Documents to comply with all of Wakefern’s rules, regulations, policies and procedures, including, without limitation, these By Laws and the Stockholders’ Agreement, in each case, as amended from time to time, and must acknowledge this obligation in writing;

(F) if the trust or trustee(s) shall become an Unqualified Successor, the trust documents shall require, within three (3) years of said determination by the Board of Directors, the trustee to transfer the Wakefern Interests to Wakefern or an Acquiring Party who is not an Unqualified Successor unless the stock is transferred pursuant to Article IX, Section 5; and

(iv) that the Trust Documents of the person controlling such Stockholder and/or such Interested Person will provide and insure for an estate plan capable of perpetuating the business of such Stockholder or Interested Person with sufficient capital and cash flow to continue operations;

(b) Annual Certification by all Stockholders. Notwithstanding the fact that the certifications set forth in subparagraphs (a)(iii) and (a)(iv) above are applicable to trusts, the annual certifications, in form and substance satisfactory to Wakefern in its sole discretion, shall be required with respect to the Interested Persons in all Stockholders, and regardless of the form of entity, including, without limitation, a partnership or limited liability company, that holds or will receive or otherwise become entitled to hold all or part of a Stockholder’s or Interested Person’s Wakefern Interests as part of an estate plan.

(c) Enforcement. If (1) any Interested Person in any Stockholder shall fail to submit an Annual Certification; (2) any of the representations or warranties set forth in the Annual Certification is materially false or misleading; or (3) upon the death, disability, winding-up, dissolution, liquidation or other termination of the Stockholder or Interested Person, subject to the provisions of Section 12(a)(iii)(F), the persons owning or controlling the Stockholder being deemed an Unqualified Successor by the Board of Directors:

(i) subject to the rights of the Stockholder under Article IX, Section 5, good cause shall be deemed to have occurred (as such term is defined in Section 3 of Article IX of these By Laws), giving Wakefern the rights and remedies set forth in Section 3 of Article IX of these By Laws (which shall be in addition to, and not in lieu of, any other rights or remedies available to Wakefern); and

(ii) the Board of Directors, upon the affirmative vote of no less than fourteen (14) Directors, may:

(A) Require such Stockholder, Interested Person or trustee(s), as applicable, to transfer the Supermarket Interests to Wakefern, pursuant to the terms

of a “buy/sell” agreement with Wakefern, in form and substance satisfactory to Wakefern in its sole discretion, within thirty (30) days of the determination of price, which price shall be determined as follows:

(1) Within ten (10) business days of the date of the Board’s determination, Wakefern shall appoint an investment banking firm from among the investment banking firms listed on Schedule 5 to the Stockholders’ Agreement (the “Wakefern IBF”), and the Interested Person or trustee(s), as applicable, shall appoint an investment banking firm from among the investment banking firms listed on Schedule 5 to the Stockholders’ Agreement (the “Stockholder IBF”). Within ten (10) days of their appointment, the Wakefern and the Stockholder IBFs shall appoint a third investment banking firm from among the investment banking firms listed on Schedule 5 to the Stockholders’ Agreement (the “Independent IBF”).

(2) Each of Wakefern and the Interested Person or estate, as applicable, shall pay the fee of their respective independent investment banking firm. Wakefern and the Interested Person shall share equally the fee of the Independent IBF. The Interested Person or trustee(s) shall cooperate fully with the independent investment banking firms by making available to such firms, upon reasonable notice, during normal business hours, its books, records, assets and properties for examination.

(3) Within sixty (60) days after their appointment, the Wakefern and Stockholder IBFs shall determine the price to be paid for the Supermarket Interests, which price shall be adjusted to reflect the limitations of the sale of the Supermarket Interests as contained in the Shareholders’ Agreement and these By Laws. The Wakefern and Stockholder IBFs shall submit to the Independent IBF and exchange with each other their determination of price. The Independent IBF shall be limited to choosing only one of the two figures submitted, which figure shall constitute the price for the transfer of the Supermarket Interests.

(B) Impose such enforcement action or requirements satisfactory to the Board in its sole discretion.

(d) All certifications submitted to Wakefern shall be directed to the office of the General Counsel and shall be reviewed on a confidential basis by Wakefern’s General Counsel and/or Chief Financial Officer and/or persons designated by such individuals solely for the purpose of determining whether the Stockholder is in compliance with these By Laws. Any and all information contained in the certification or any other documents (including Trust Documents) supplied to Wakefern shall under no circumstances be disseminated to any other Wakefern employee or Stockholder (or any employee thereof) other than to the Board of Directors or members of the relevant Standing Committee, *i.e.*, Finance and Credit Committee, in connection with the consideration of any enforcement action taken pursuant to Article IX, Section 12(c) of these By Laws. The General Counsel shall make a determination regarding whether such

Stockholder is in compliance with these By Laws within a reasonable time, which period shall not exceed three (3) months from the submission of the certification to Wakefern by the Stockholder. If the General Counsel determines that the Stockholder is not in compliance with these By Laws, the Stockholder shall have a reasonable period to amend the documents for the sole purpose of complying with the By Laws, which period shall not exceed three (3) months from such date of determination by Wakefern.

ARTICLE X

USE OF WAKEFERN MARKS

No Stockholder or any other licensee shall use or permit the use of the Marks, except after application to and approval by, and upon such terms and conditions (including compensation for such use), as may be established by the Board of Directors, and its use must comply with the image and goodwill associated with the Marks and any Wakefern Branded Stores, as has been developed by Wakefern and its Stockholders, and as articulated by the Board of Directors from time to time.

ARTICLE XI

INVESTMENT REQUIREMENTS OF STOCKHOLDERS

Each Stockholder shall be required to make additional investments in capital stock of Wakefern pursuant to the investment policy (the "Wakefern Investment Policy") established by the Board of Directors, with the advice of the Finance and Credit Committee. The Wakefern Investment Policy may be modified from time to time by the affirmative vote of no less than fourteen (14) members of the Board of Directors as the needs of Wakefern require. Investment requirements shall be based upon the dollar volume of purchases from Wakefern of each Stockholder. To evidence their additional investments, Stockholders shall receive Class C Stock, except that Stockholders owning more than thirty (30) shares of Class A Stock shall receive only Class B Stock. The purchase price for each share of stock issued and sold pursuant to the Wakefern Investment Policy shall be the book value of such share as of the last day of the fiscal year of Wakefern immediately preceding the date of such issuance and sale. The Board of Directors, by a vote of no less than fourteen (14) Directors, shall have the power from time to time to determine, on a uniform basis as to all Stockholders, the ratio between the required minimum investment of each Stockholder per Wakefern Branded Store and such Stockholder's average weekly purchases per Wakefern Branded Store from Wakefern and shall also have the power to determine the method of arriving at such average weekly purchases and to set minimum and maximum amounts of required investment.

ARTICLE XII

RIGHT TO RECEIVE MERCHANDISE AND SERVICE FROM WAKEFERN

Section 1. Persons Entitled to Receive Merchandise and Services.

- (a) Except as herein provided, only:
 - (i) subsidiaries of, or entities controlled by, Wakefern; and
 - (ii) Stockholders in good standing (which, among other things, shall be in compliance with the SDC Procedures and all other Board mandated programs):

(A) who are parties to the Stockholders' Agreement and a valid and subsisting Trademark License Agreement with Wakefern, entitling such Stockholders to use the Marks or operate a Wakefern Branded Store,

(B) who submit two (2) financial statements a year (year end and mid-year) to Wakefern's Chief Financial Officer,

(C) who do not, absent a specific waiver by an affirmative vote of no less than fourteen (14) members of the Board, directly or indirectly operate, or own a controlling interest in any non-Wakefern Branded Store engaged in the sale of product which is distributed by Wakefern doing business in any of the states mentioned in subparagraph (c) of Section 3 of Article IX of these By Laws, and

(D) (1) who have given, or (2) a person, who either directly or indirectly through one or more intermediaries or subsidiaries controls such Stockholders have given, or (3) a person, who either directly or indirectly owns five percent (5%) or more of the voting equities of such Stockholders and who control, or, in the case of a Stockholder whose shares are publicly traded, are active in the management of such Stockholder, have given, written guarantees personally guarantying the payment of the obligations, debts or liabilities of such Stockholder to Wakefern,

shall be entitled to purchase and receive merchandise and services from Wakefern.

(b) In addition to foregoing, persons who are approved by the Board of Directors or who meet criteria established by the Board of Directors from time to time may receive merchandise and services from Wakefern on such terms and conditions as may be approved by the Board or its designees.

(c) No Stockholder shall be supplied with merchandise or services if the Board of Directors shall have determined in accordance with Article IX of these By Laws that such Stockholder is required to sell its stock to Wakefern, or if, in the reasonable discretion of the Board of Directors, subject however to the provisions of Article XIII of these By Laws, such supplying of merchandise or services would adversely affect the continued ability of Wakefern to efficiently and economically continue to service its Stockholders, would adversely affect Wakefern's volume, would unreasonably expose Wakefern to financial risks, or would otherwise have an adverse impact on the purchasing, warehousing or distributing activities of Wakefern.

(d) No Stockholder or person shall be entitled to purchase and receive merchandise and services from Wakefern for sale or use in connection with an establishment other than a Wakefern Branded Store, unless the Board of Directors, in its sole discretion, determines that the operation of such non-Wakefern trademarked establishment by a Stockholder or

Stockholders or person: (i) would not interfere with the continued promotion and development by Wakefern of the Marks; (ii) would not interfere with the Stockholder's or Stockholders' continued responsibilities to promote, develop and further the Marks; (iii) and would not place any existing Wakefern Branded Store, or person operated by Stockholders at a competitive disadvantage through access by the non-Wakefern trademarked store (or its management) to competitively significant and/or confidential information and/or services provided by Wakefern to its Stockholders operating Wakefern Branded Stores.

(e) In the event that the supermarket or other business of a Selling Stockholder being serviced by Wakefern is sold or otherwise disposed of, whether by merger, consolidation, sale of capital stock, sale of assets or otherwise, the right, if any, of the purchaser or acquiror to become a Stockholder in place of the Selling Stockholder shall extend only to the supermarket or other retail establishment of the Selling Stockholder which were being serviced by Wakefern at the time of such sale or other disposition.

ARTICLE XIII

PAYMENT FOR MERCHANDISE PURCHASED BY A STOCKHOLDER FROM WAKEFERN

All Wakefern Statements billed to a Stockholder, Wakefern subsidiary or any other licensee, excepting ShopRite Beverages, Inc., shall be due and payable on the Tuesday following receipt of such Wakefern Statement, with payment to be effected by wire transfer or such other method approved by Wakefern, no later than noon on such Tuesday. In the event that a statement is not paid in full by such time, the defaulting Stockholder or licensee shall lose its entire prompt payment discount and any other benefits accruing to the Stockholder or licensee, as determined by the Board of Directors from time to time with respect to timely payments. In the event that payment due on a given Tuesday is not paid in full by a Stockholder or licensee by the close of business on the Wednesday following such Tuesday, Wakefern shall charge and the Stockholder or licensee shall be obligated to pay, a service charge on the unpaid balance from time to time at the rate of one percent (1%) per week, provided, however, that such service charge shall in no event exceed the maximum amount, if any, allowed by applicable law. In the event that payment due on a given Tuesday is not made in full by the close of business on the Thursday, following such Tuesday, then, unless otherwise determined by the Board of Directors, no further orders shall be accepted by Wakefern from, nor merchandise delivered to, the defaulting Stockholder or licensee, except on a C.O.D. basis, until the entire unpaid balance (including service charge) is paid in full to Wakefern by cash or certified or cashier's check or such other method approved by Wakefern. In the event that a bank holiday falls on Monday or Tuesday of a given week, the payment and late dates established herein shall be delayed to the next succeeding business day. The failure or refusal of a Stockholder to pay any such invoice of Wakefern within five (5) calendar days after written notice of default is given by Wakefern to such Stockholder shall be deemed to constitute good cause for requiring such Stockholder to sell its stock to Wakefern within the meaning of Section 3 of Article IX of these By Laws.

ARTICLE XIV

SEAL

The Board of Directors shall provide a corporate seal, which shall bear the name of Wakefern and the words and figures indicating the state and year in which Wakefern was incorporated or such other words or figures as the Board of Directors approves and adopts.

ARTICLE XV

FISCAL YEAR

The fiscal year of Wakefern shall be as determined by the Board of Directors from time to time.

ARTICLE XVI

WAIVER OF NOTICE

Whenever any notice whatsoever is required to be given by these By Laws or the Certificate of Incorporation or the laws of the State of New Jersey, the person entitled thereto may, in person or by attorney thereupon authorized, in writing or by telegraph, telex, cable, facsimile, email, or other electronic means, waive such notice whether before or after the meeting or other matter in respect of which such notice is to be given, and in such event such notice need not be given to such person and such waiver shall be deemed equivalent to such notice. Neither the purpose of nor the business to be transacted at such meeting need be specified in any written waiver of notice. Attendance of a person at a meeting shall constitute waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XVII

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Wakefern may indemnify, in accordance with and to the full extent permitted by the law of the State of New Jersey as in effect at the time of the adoption of this Article or as such laws may be amended from time to time, any corporate agent of Wakefern, and shall so indemnify each member of the Site Development Committee or any other corporate agent, who is made or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was such a corporate agent of Wakefern, member of the Site Development Committee, or any constituent corporation absorbed in a consolidation or merger, or serves or served as such with another corporation, partnership, joint venture, trust, or other enterprise at the request of Wakefern or any such constituent corporation. Wakefern may, in its discretion, advance fees and costs associated with any such threatened, pending, or completed action, suit, or proceeding. Wakefern

shall have the right, pursuant to action of the Board of Directors, to purchase and maintain insurance on behalf of any corporate agent of Wakefern against any expenses incurred in any proceeding and any liabilities asserted against such corporate agent by reason of being or having been a corporate agent, irrespective of whether or not Wakefern would have the power to indemnify the corporate agent against such expenses and liabilities under the provisions of this Article or under the provisions of N.J.S. 14A:3-5.

ARTICLE XVIII

EQUAL TREATMENT OF STOCKHOLDERS

In accordance with the cooperative plan under which Wakefern is operated, Wakefern shall offer merchandise for sale to all Stockholders and other licensees on a nondiscriminatory basis; provided, however, that a Stockholder, who within thirty (30) days fails to execute any Stockholders' Agreement that is entered into by Wakefern and Stockholders whose aggregate purchases of products from Wakefern accounted for fifty one percent (51%) or more of Wakefern's total sales of product to its Stockholders and licensees in the fiscal year immediately preceding the date on which such Stockholders' Agreement was entered into by such Stockholders, shall be assessed a weekly surcharge on all products and services provided by Wakefern (the total Wakefern Statement) of three percent (3%); provided, further, the Wakefern Board of Directors may in its sole discretion modify or waive in whole or part such surcharge.

ARTICLE XIX

COOPERATIVE PATRONAGE DIVIDENDS

Section 1. Wakefern shall operate upon the cooperative plan.

Section 2. All Stockholders or wholly owned subsidiaries of Wakefern who purchase merchandise from Wakefern shall be "patrons" thereof, as that term currently is defined in Treasury Regulations Section 1.1388 1(e) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 3. Within a reasonable period of time following the close of each fiscal year, the Board of Directors shall determine, or cause to be determined, the Net Earnings (as defined in Section 7) of Wakefern for the fiscal year. Thereafter, within the Payment Period (as defined in Section 7) and in the manner provided in Section 4, the Board of Directors shall distribute as a "Patronage Dividend" to each patron a share of the Net Earnings equal to the patron's Purchaser Percentage (as defined in Section 7) in respect of such fiscal year so that all of said Net Earnings (otherwise termed "patronage") are distributed. In the event that there is a Net Loss (as defined in Section 7) in respect of a fiscal year, the Board of Directors shall charge as an assessment during the Payment Period to each patron a percentage of such Net Loss equal to such patron's Purchaser Percentage so that all of Net Loss is assessed.

Section 4. Unless a patron ceases being a Stockholder or wholly owned subsidiary of Wakefern and/or the Board of Directors directs another method of payment, Patronage Dividends for each fiscal year of Wakefern shall be paid by allowing a credit against

the cost of each patron's purchases made within the Payment Period for such fiscal year. For all purposes (including, without limitation, federal, state and local income tax purposes), both Wakefern and each patron shall treat the offset as if the patron paid Wakefern the total amount due on the patron's future purchases, and Wakefern then distributed the amount equal to the Patronage Dividend to the patron.

In the event that a patron shall cease being a Stockholder or wholly owned subsidiary of Wakefern, said patron shall be entitled to Patronage Dividends for both the prior fiscal year and the fiscal year in which the patron ceases to be a Stockholder or wholly owned subsidiary of Wakefern, as the case may be. In each case, the amount of such former patron's Patronage Dividends shall be based upon such patron's Purchases Percentage for the relevant fiscal year. In the event a former patron is entitled to Patronage Dividends for the year prior to the fiscal year in which the former patron ceases to be a Stockholder or wholly owned subsidiary of Wakefern, as the case may be, but shall not have made sufficient purchases during the current fiscal year to have received a full offset, as provided in the first paragraph of this Section 4, then, to the extent so unpaid, said Patronage Dividend will be paid in cash within the Payment Period.

Notwithstanding any other provision of this Article XIX, if a former Stockholder or wholly owned subsidiary of Wakefern is indebted to Wakefern pursuant to Section 3 of this Article due to a Net Loss incurred by Wakefern for such prior fiscal year, the former Stockholder or wholly owned subsidiary, as the case may be, shall pay such amount due in cash within three (3) months after the amount of the Net Loss is determined.

Section 5. Wakefern shall have the right to offset against any amount required to be paid as a Patronage Dividend to any patron any amounts then due and payable by the patron to Wakefern.

Section 6. The Board of Directors of Wakefern shall allocate among the patrons certain administrative, overhead, operational and other costs, using such methods of allocation, and charging to the patrons at such times, as are approved from time to time by the Board of Directors. Until changed by the Board of Directors, (i) the amount of such costs to be allocated to each patron in respect of each fiscal year of Wakefern shall be determined by taking the product of such patron's Sales Percentage (as defined in Section 7) for such fiscal year and the Administrative Costs (as defined in Section 7) of Wakefern of such fiscal year and (ii) each patron's allocation, as so determined, shall be billed to such patron in equal weekly installments throughout the fiscal year. Adjustments to the methods of determining the amount to be allocated to any patron or patrons because of a special circumstance relating to such patron or patrons (e.g., such patrons are operating a replacement or new store or have been impacted by competition) may be established from time to time by the Board of Directors.

Section 7. For purposes of this Article XIX, the following terms shall have the meanings assigned to them below:

“Administrative Costs” means, with respect to any fiscal year of Wakefern, all administrative, overhead, operational and other costs and expenses included in the Annual Profit Plan of Wakefern approved by the Board of Directors no later than thirty (30) days after the beginning of such fiscal year.

“Net Earnings” means, with respect to any fiscal year of Wakefern, the consolidated net earnings of Wakefern for such fiscal year after taking account of: (i) all deductions and expenses (other than the deduction for Patronage Dividends attributable to such fiscal year), including an expense reserve of up to Ten Million (\$10,000,000) Dollars; provided, however, that said reserve shall have been recommended by the Executive Officers and approved by the Board of Directors each fiscal year; and (ii) charges for local, state and federal taxes, if any, with respect to such fiscal year (determined after taking account of Patronage Dividends attributable to such fiscal year, including amounts to be distributed after the close of said fiscal year).

“Net Loss” means, with respect to any fiscal year of Wakefern, the consolidated net loss of Wakefern for such fiscal year after taking account of all deductions and expenses (other than the deduction for Patronage Dividends attributable to such fiscal year), including charges for local, state and federal taxes, if any, with respect to such fiscal year (determined after taking account of Patronage Dividends attributable to (including amounts to be distributed after the close of) such fiscal year).

“Payment Period” means, with respect to any fiscal year of Wakefern, the eight and one-half (8½) month period following the close of such fiscal year.

“Purchaser Percentage” means, with respect to each patron, the percentage determined by dividing the aggregate dollar volume of business (computed on the basis that, except pursuant to a resolution of the Board of Directors adopted prior to the beginning of the applicable fiscal year, all purchases of all merchandise ordered from or through Wakefern are from a single product department) done by such patron with Wakefern during any fiscal year by the aggregate dollar volume of business (computed on the basis that, except pursuant to a resolution of the Board of Directors adopted prior to the beginning of the applicable fiscal year, all purchases of all merchandise ordered from or through Wakefern are from a single product department) done by all patrons with Wakefern during such fiscal year.

“Sales” means, with respect to each patron, for any 52/53 week period ending the first Saturday in June in the year in which the relevant fiscal year of Wakefern begins, the aggregate revenue derived during such period from the merchandise sales of each of such patron’s supermarkets and, to the extent determined by the Board of Directors, retail/wholesale outlets, but excluding such items as are established by the Board of Directors from time to time.

“Sales Percentage” means, with respect to each patron, for purposes of calculating an assessment for any fiscal year of Wakefern, the percentage determined by dividing the Sales by that patron by the Total Sales, as the same may be adjusted by the Board of Directors from time to time.

“Total Sales” means, with respect to any 52-week period ending the first Saturday in June in the year in which the relevant fiscal year of Wakefern begins, the aggregate Sales of all patrons during such period.

Section 8. All determinations and actions of the Board of Directors under this Article shall be in its sole discretion and shall be set forth in a timely resolution to be included in the Minutes of the Board of Directors.

Section 9. Any amendment of the foregoing provisions of this Article shall require the affirmative vote of no less than fourteen (14) members of the Board of Directors.

ARTICLE XX

WAKEFERN ATTORNEYS

By receiving Patronage Dividends from Wakefern and otherwise being afforded the benefits of being a Stockholder, each Stockholder has hereby agreed that Wakefern's in-house and outside counsel engaged or retained by Wakefern represents Wakefern, as distinct from its Directors, officers, employees, members, Stockholders and other constituents and, as a result, each Stockholder has hereby agreed not to object to or seek to disqualify Wakefern's in-house and/or outside counsel from representing or providing advice to Wakefern, including, without limitation, in any dispute or transaction with any Stockholder of Wakefern.

Any and all legal fees and related costs, including, but not limited to, attorneys' fees, experts fees, court costs, secretarial, clerical costs, filing fees and recording costs incurred by Wakefern as a result directly or indirectly, of actions or lawsuits threatened, suffered or undertaken or commenced by a Stockholder or licensee or officer, director, or affiliate of a Stockholder or licensee against Wakefern or any of its subsidiaries, officers, directors, associates, agents, or Stockholders, except to the extent the Stockholder or licensee, or officer, director or affiliate of a Stockholder or licensee, is successful in whole, on the merits, and obtains a final judgment against Wakefern, shall be billed to the responsible Stockholder or Stockholders or licensee on store statements and shall be promptly paid or reimbursed to Wakefern pursuant to and subject to the terms of Article XIII.

ARTICLE XXI

AMENDMENTS

These By Laws, or any of them, may be altered, amended or repealed, or new By Laws may be made, upon the majority vote, given at a meeting or the written consent without a meeting, of the holders of record of shares of each class of capital stock of Wakefern entitled to vote thereon, voting separately as a class, or by the affirmative vote of no less than fourteen (14) members of the Board of Directors, or by such greater number of Directors as may be specifically provided in the By Laws provision to be amended. By Laws made, altered or amended by the Board of Directors shall be subject to alteration, amendment or repeal by the requisite class vote of the Stockholders of Wakefern as aforesaid.

VILLAGE SUPER MARKET, INC .**CODE OF ETHICS**

In my role as a Director of Village Super Market, Inc., I recognize that I hold an important and elevated role in corporate governance. I am uniquely capable and empowered to ensure that stakeholders' interests are appropriately balanced, protected and preserved. Accordingly, this Code provides principles to which I am expected to adhere and advocate. The Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the company, the public and other stakeholders.

I certify to you that I adhere to and advocate the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

1. I act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. I provide constituents with information that is accurate, complete, objective, relevant, timely and understandable.
3. I comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
4. I act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing my independent judgment to be subordinated.
5. I respect the confidentiality of information acquired in the course of my work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of my work is not used for personal advantage.
6. I share knowledge and maintain skills important and relevant to my constituents' needs.
7. I proactively promote ethical behavior as a responsible partner among peers in my work environment and community.
8. I achieve responsible use of and control over all assets and resources employed or entrusted to me.
9. In addition, I comply with all aspects of the Village Super Market, Inc. Code of Conduct.
10. I also agree that, if I should become aware of any violation of law or of this code by the Company or anyone acting on behalf of the Company, it is my responsibility to report the violation promptly to the Company's Chief Financial Officer, General Counsel, Chief Executive Officer or the Audit Committee whistleblower hotline, as appropriate. I understand that although the Company seeks to address any such matters internally, nothing in this Code prevents me from reporting any illegal activity to the appropriate legal authority. I also understand that the Company will not discriminate or retaliate against me if I in good faith report such violation, and that I will not discriminate or retaliate against other employees who report violations. Further, I understand that this Code does not prohibit me from testifying or otherwise participating in any proceeding or investigation that may follow.
11. I acknowledge that violations of this code may subject me to disciplinary action, which could include termination.

SUBSIDIARIES OF REGISTRANT

The Company has 24 wholly-owned subsidiaries at July 27, 2024. Village Super Market of PA, LLC is organized under the laws of Pennsylvania. Village Super Market of NJ, LP, Hanover and Horsehill Development, LLC, Greater Morristown Restaurant, LLC, VSM New Markets, LLC, Delilah Properties LLC, Fire Brands Innovation LLC, Washington Asbury LLC, Village Galloway Shopping Center LLC, Route 31 South RNR Partners LLC, Hillsborough RB LLC, Village Galloway Two LLC, Village Old Bridge LLC, Village Vineland 3600 Landis LLC, Village Jake Brown LLC, 501 East Jimmie Leeds Road LLC, 700 North Avenue East LLC, and 715 Morris LLC are organized under the laws of New Jersey. Village Super Market of Maryland, LLC is organized under the laws of Maryland. Village Super Market of NY, LLC, VSM Gourmet, LLC, VSM NY Holdings LLC, VSM NY Distribution Center LLC and VSM NY LLC are organized under the laws of New York.

The financial statements of all subsidiaries are included in the Company's consolidated financial statements.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-216866 and 333-172673) on Form S-8 of our report dated October 9, 2024, with respect to the consolidated financial statements of Village Super Market, Inc. and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Short Hills, New Jersey
October 9, 2024

CERTIFICATIONS

I, Robert P. Sumas, certify that:

1. I have reviewed this annual report on Form 10-K of Village Super Market, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Robert P. Sumas

Robert P. Sumas

Chief Executive Officer

October 9, 2024

CERTIFICATIONS

I, John L. Van Orden, certify that:

1. I have reviewed this annual report on Form 10-K of Village Super Market, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John L. Van Orden

John L. Van Orden

Chief Financial Officer

October 9, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Village Super Market, Inc. (the "Company") on Form 10-K for the period ended July 27, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert P. Sumas certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert P. Sumas

Robert P. Sumas
Chief Executive Officer
October 9, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Village Super Market, Inc. (the "Company") on Form 10-K for the period ended July 27, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Van Orden certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John L. Van Orden

John L. Van Orden

Chief Financial Officer

October 9, 2024

VILLAGE SUPER MARKET, INC.
REPORTS RESULTS FOR THE FOURTH QUARTER ENDED
JULY 27, 2024

Contact: John Van Orden, CFO
(973) 467-2200
villageinvestorrelations@wakefern.com

Springfield, New Jersey – October 8, 2024 - Village Super Market, Inc. (NSD-VLGEA) today reported its results of operations for the fourth quarter ended July 27, 2024.

Fourth Quarter Highlights

- Sales increased 4.4% and same store sales increased 2.7%
- Same store digital sales increased 12%
- Net income of \$15.4 million
- Adjusted net income of \$16.9 million, an increase of 10% compared to adjusted net income of \$15.3 million in the fourth quarter of the prior year

Fiscal 2024 Highlights

- Sales increased 3.2% and same store sales increased 2.3%
- Same store digital sales increased 12%
- Net income of \$50.5 million
- Adjusted net income of \$52.6 million, an increase of 7% compared to adjusted net income of \$48.9 million in the prior year-to-date period

Fourth Quarter of Fiscal 2024 Results

Sales were \$578.2 million in the 13 weeks ended July 27, 2024 compared to \$553.8 million in the 13 weeks ended July 29, 2023. Sales increased due to an increase in same store sales of 2.7% and the opening of the Old Bridge, NJ replacement store on March 17, 2024 partially offset by the impact of the closure of a Gourmet Garage location on November 1, 2023. Same store sales increased due primarily to retail price inflation, digital sales growth, higher pharmacy sales and continued growth in recently remodeled stores. New stores, replacement stores and stores with banner changes are included in same store sales in the quarter after the store has been in operation for four full quarters. Store renovations and expansions are included in same store sales immediately.

Gross profit as a percentage of sales increased to 29.34% in the 13 weeks ended July 27, 2024 compared to 29.08% in the 13 weeks ended July 29, 2023 due primarily to decreased warehouse assessment charges from Wakefern (.26%), lower LIFO charges (.25%) and increased departmental gross margin percentages (.05%) partially offset by higher promotional spending (.19%), decreased patronage dividends and rebates received from Wakefern (.05%) and an unfavorable change in product mix (.06%).

Operating and administrative expense as a percentage of sales increased to 24.20% in the 13 weeks ended July 27, 2024 compared to 23.92% in the 13 weeks ended July 29, 2023. The increase in Operating and administrative expenses is due primarily to increased labor costs and fringe benefits (.27%), increased external fees associated with digital sales growth (.12%) and higher utility costs (.09%) partially offset lower legal and consulting fees (.12%) and supply spending (.06%). Higher labor and fringe benefit costs are due primarily to minimum wage and demand driven pay rate increases and higher union health and welfare plan costs partially offset by lower self-insured medical claim costs.

Depreciation and amortization expense decreased slightly in the 13 weeks ended July 27, 2024 compared to the 13 weeks ended July 29, 2023 due primarily to the timing of capital expenditures.

Impairment of assets in the 13 weeks ended July 27, 2024 includes non-cash charges for long-lived assets at the automated micro-fulfillment center which was closed in September 2024.

Interest expense decreased in the 13 weeks ended July 27, 2024 compared to the 13 weeks ended July 29, 2023 due primarily to lower average outstanding debt balances.

Interest income in the 13 weeks ended July 27, 2024 was flat compared to the 13 weeks ended July 29, 2023.

The Company's effective income tax rate was 29.4% in the 13 weeks ended July 27, 2024 compared to 32.7% in the 13 weeks ended July 29, 2023.

Fiscal 2024 Results

Sales were \$2.24 billion in fiscal 2024 compared to \$2.17 billion in fiscal 2023. Sales increased due primarily to an increase in same store sales of 2.3% and the opening of the Old Bridge, NJ replacement store on March 17, 2024 partially offset by the impact of the closure of a Gourmet Garage location on November 1, 2023. Same store sales increased due primarily to retail price inflation, digital sales growth, higher pharmacy sales and continued growth in recently remodeled stores.

Gross profit as a percentage of sales increased to 28.70% in fiscal 2024 compared to 28.45% in fiscal 2023 due primarily to increased departmental gross margin percentages (.21%), increased patronage dividends and rebates received from Wakefern (.13%), decreased warehouse assessment charges from Wakefern (.10%) and lower LIFO charges (.09%) partially offset by higher promotional spending (.18%) and an unfavorable change in product mix (.11%). Department gross margins increased due primarily to pricing initiatives and improvements in commissary operations partially offset by higher inventory shrink.

Operating and administrative expense as a percentage of sales increased to 24.34% in fiscal 2024 compared to 23.86% in fiscal 2023. Adjusted operating and administrative expense as a percentage of sales increased to 24.30% in fiscal 2024 compared to 23.91% in fiscal 2023 due primarily to increased labor costs and fringe benefits (.21%), increased external fees associated with digital sales growth (.08%), expanded store security (.06%) and software licensing associated with retail and commissary technology investments (.05%). Higher labor and fringe benefit costs are due primarily to minimum wage and demand driven pay rate increases and higher union health and welfare plan costs.

Depreciation and amortization expense decreased in fiscal 2024 compared to fiscal 2023 due primarily to the timing of capital expenditures.

Impairment of assets in fiscal 2024 includes non-cash charges for long-lived assets at the automated micro-fulfillment center which was closed in September 2024.

Interest expense decreased in fiscal 2024 compared to fiscal 2023 due primarily to lower average outstanding debt balances.

Interest income increased in fiscal 2024 compared to fiscal 2023 due primarily to higher interest rates and larger amounts invested in variable rate notes receivable from Wakefern and demand deposits invested at Wakefern.

The Company's effective income tax rate was 30.6% in fiscal 2024 compared to 31.6% in fiscal 2023. The effective tax rate decreased in fiscal 2024 compared to fiscal 2023 due primarily to increased estimated work opportunity tax credits and a favorable deferred tax asset revaluation to reflect changes in state tax rates.

Village Super Market operates a chain of 34 supermarkets in New Jersey, New York, Maryland and Pennsylvania under the ShopRite and Fairway banners and three Gourmet Garage specialty markets in New York City.

Forward Looking Statements and Non-GAAP Measures

All statements, other than statements of historical fact, included in this Press Release are or may be considered forward-looking statements within the meaning of federal securities law. The Company cautions the reader that there is no assurance that actual results or business conditions will not differ materially from future results, whether expressed, suggested or implied by such forward-looking statements. The Company undertakes no obligation to update forward-looking statements to reflect developments or information obtained after the date hereof. The following are among the principal factors that could cause actual results to differ from the forward-looking statements: general economic conditions; competitive pressures from the Company's operating environment; the ability of the Company to maintain and improve its sales and margins; the ability to attract and retain qualified associates; the availability of new store locations; the availability of capital; the liquidity of the Company; the success of operating initiatives; consumer spending patterns; the impact of changing energy prices; increased cost of goods sold, including increased costs from the Company's principal supplier, Wakefern; disruptions or changes in Wakefern's operations; the results of litigation; the results of tax examinations; the results of union contract negotiations; competitive store openings and closings; the rate of return on pension assets; labor shortages; disruptions to supply chains; and other factors detailed herein and in the Company's filings with the SEC.

We provide non-GAAP measures, including Adjusted net income and Adjusted operating and administrative expenses as management believes these supplemental measures are useful to investors and analysts. These non-GAAP financial measures should not be reviewed in isolation or considered as a substitute for our financial results as reported in accordance with GAAP, nor as an alternative to net income, operating and administrative expense or any other GAAP measure of performance. Adjusted net income and Adjusted operating and administrative expense are useful to investors because they provide supplemental measures that exclude the financial impact of certain items that affect period-to-period comparability. Management and the Board of Directors use these measures as they provide greater transparency in assessing ongoing operating performance on a period-to-period basis. Other companies may have different definitions of Non-GAAP Measures and provide for different adjustments, and comparability to the Company's results of operations may be impacted by such differences. The Company's presentation of Non-GAAP Measures should not be construed as an implication that its future results will be unaffected by unusual or non-recurring items.

VILLAGE SUPER MARKET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share amounts) (Unaudited)

	13 Weeks Ended	13 Weeks Ended	52 Weeks Ended	52 Weeks Ended
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023
Sales	\$ 578,237	\$ 553,806	\$ 2,236,566	\$ 2,166,654
Cost of sales	408,584	392,743	1,594,591	1,550,204
Gross profit	169,653	161,063	641,975	616,450
Operating and administrative expense	139,930	132,450	544,348	516,902
Depreciation and amortization	8,341	8,405	33,449	34,002
Impairment of assets	2,125	—	2,125	—
Operating income	19,257	20,208	62,053	65,546
Interest expense	(1,010)	(1,083)	(4,135)	(4,220)
Interest income	3,597	3,601	14,799	11,399
Income before income taxes	21,844	22,726	72,717	72,725
Income taxes	6,413	7,430	22,255	23,009
Net income	<u><u>\$ 15,431</u></u>	<u><u>\$ 15,296</u></u>	<u><u>\$ 50,462</u></u>	<u><u>\$ 49,716</u></u>
Net income per share:				
Class A common stock:				
Basic	\$ 1.16	\$ 1.15	\$ 3.78	\$ 3.78
Diluted	\$ 1.04	\$ 1.03	\$ 3.40	\$ 3.38
Class B common stock:				
Basic	\$ 0.75	\$ 0.74	\$ 2.46	\$ 2.45
Diluted	\$ 0.75	\$ 0.74	\$ 2.46	\$ 2.45
Gross profit as a % of sales	29.34 %	29.08 %	28.70 %	28.45 %
Operating and administrative expense as a % of sales	24.20 %	23.92 %	24.34 %	23.86 %

VILLAGE SUPER MARKET, INC.
RECONCILIATION OF NON-GAAP MEASURE
(In thousands) (Unaudited)

The following tables reconciles Net income to Adjusted net income and Operating and administrative expenses to Adjusted operating and administrative expenses:

	13 Weeks Ended		52 Weeks Ended	
	July 27, 2024	July 29, 2023	July 27, 2024	July 29, 2023
Net Income	\$ 15,431	\$ 15,296	\$ 50,462	\$ 49,716
Adjustments to Operating Expenses:				
Store pre-opening costs (1)	\$ —	\$ —	\$ 907	\$ —
Impairment of assets (2)	\$ 2,125	\$ —	\$ 2,125	\$ —
Litigation settlement gain (3)	—	—	—	(1,200)
Adjustments to Income Taxes:				
Tax impact of adjustments to operating expenses	(659)	—	(940)	372
Adjusted net income	<u>\$ 16,897</u>	<u>\$ 15,296</u>	<u>\$ 52,554</u>	<u>\$ 48,888</u>
Operating and administrative expenses	\$ 139,930	\$ 132,450	\$ 544,348	\$ 516,902
Adjustments to operating and administrative expenses	—	—	(907)	1,200
Adjusted operating and administrative expenses	139,930	132,450	543,441	518,102
Adjusted operating and administrative expenses as a % of sales	24.20 %	23.92 %	24.30 %	23.91 %

(1) Fiscal 2024 pre-opening costs are associated with opening of the Old Bridge, NJ ShopRite replacement store opened on March 17, 2024.

(2) Fiscal 2024 includes non-cash impairment charges for long-lived assets due to the closure of the automated micro-fulfillment center in south NJ.

(3) Fiscal 2023 litigation settlement gains are related to claims associated with the Fairway acquisition and liabilities associated thereto.