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We are currently not required to meet the standards required by Section 404 of the Sarbanes-Oxley Act ("Section 404"), and failure to meet and maintain effective internal control over financial reporting in accordance with Section 404 could have a material adverse effect on our business, financial condition and results of operations.

As a privately held company, we are not currently required to document or test our compliance with internal controls over financial reporting on a periodic basis in accordance with Section 404. We are in the process of addressing our internal control procedures to satisfy the requirements of Section 404, which requires an annual management assessment of the effectiveness of our internal control over financial reporting. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to attest to the effectiveness of our internal control over financial reporting. If we are unable to maintain adequate internal control over financial reporting, we may be unable to report our financial information on a timely basis, may suffer adverse regulatory consequences or violations of applicable stock exchange listing rules and may breach the covenants under our credit facilities. We will be unable to issue securities in the public markets through the use of a shelf registration statement if we are not in compliance with the applicable provisions of Section 404. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements.

In addition, we may incur additional costs in order to improve our internal control over financial reporting and comply with Section 404, including increased auditing and legal fees and costs associated with hiring additional accounting and administrative staff.

Provisions in our charter documents, certain agreements governing our indebtedness, the Stockholders' Agreement (as defined herein) and Delaware law could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders.

Provisions in our certificate of incorporation and, upon the completion of the IPO-Related Transactions, our bylaws, may discourage, delay or prevent a merger, acquisition or other change in control that some stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, possibly depressing the market price of our common stock.

In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace members of our management team. Examples of such provisions are as follows:

- from and after such date that Albertsons Investor, Kimco, Management Holdco and their respective Affiliates (as defined in Rule 12b-2 of the Exchange Act), or any person who is an express assignee or designee of Albertsons Investor, Kimco or Management Holdco's respective rights under our certificate of incorporation (and such assignee's or designee's Affiliates) (of these entities, the entity that is the beneficial owner of the largest number of shares is referred to as the "Designated Controlling Stockholder") ceases to own, in the aggregate, at least 50% of the then-outstanding shares of our common stock (the "50% Trigger Date"), the authorized number of our directors may be increased or decreased only by the affirmative vote of two-thirds of the then-outstanding shares of our common stock or by resolution of our board of directors;
- prior to the 50% Trigger Date, only our board of directors and the Designated Controlling Stockholder are expressly authorized to make, alter or repeal our bylaws and, from and after