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The Annual Corporate Bonus component, the remaining 50% of each executive officer's target bonus opportunity, is based on the company's level of achievement of an annual Adjusted EBITDA target approved by our board of directors. Amounts under the Annual Corporate Bonus may be earned above or below target level. The threshold level above which a percentage of the Annual Corporate Bonus may be earned is achievement above 90% of the Adjusted EBITDA target and 100% of the Annual Corporate Bonus may be earned at achievement of 100% of the Adjusted EBITDA target, with interim percentages earned for achievement between levels. If achievement exceeds 100% of the Adjusted EBITDA target, 10% of the excess Adjusted EBITDA will be added to the bonus pool, but payout will be capped at 200% on the Annual Corporate Bonus component of the NEO's annual target bonus.

The annual target bonus for Mr. Miller was set at 60% of his base salary. The annual target bonus for Mr. Denningham was increased to 60% of his base salary in connection with his promotion to Chief Operating Officer. The annual target bonus, as a percentage of base salary, for the other NEOs participating in the 2015 Bonus Plan remained at the level set under the 2014 Bonus Plan.

Special Bonuses

In addition to the annual cash incentive program, we may from time to time pay our NEOs discretionary bonuses as determined by the board of directors or the compensation committee to provide for additional retention or upon special circumstances. In connection with the NAI acquisition, in January 2013, our board of directors approved a special bonus for Mr. Miller in the amount of \$15,000,000 ("Special Bonus") which would be earned upon the achievement of the following distribution hurdles:

- \$7,500,000 of the Special Bonus would be paid once distributions equal to a return of capital (\$550 million), plus an 8% preferred return from the closing date of the NAI acquisition, and an additional \$250 million (without any preferred return), were made in the aggregate to the holders of AB Acquisition's membership interests; and
- the remaining \$7,500,000 of the Special Bonus would be paid once distributions equal to \$200 million (without any preferred return) in excess of the first hurdle were made to the holders of AB Acquisition's membership interests.

The company determined that both distribution hurdles were achieved upon the consummation of the Safeway acquisition. Accordingly, the Special Bonus was paid to Mr. Miller upon the closing date of the Safeway acquisition.

In recognition of their efforts in connection with the Safeway acquisition, the company awarded the NEOs set forth below with the following one-time special bonuses:

<u>Name</u>	<u>Special Bonus</u>
Robert B. Dimond	\$250,000
Wayne A. Denningham	\$100,000
Justin Dye	\$500,000
Shane Sampson	\$250,000

In connection with the commencement of their employment, Messrs. Dimond and Sampson received retention bonuses in the amounts of \$1,500,000 and \$1,000,000, respectively. Upon his subsequent transfer to the position of Division President of Jewel-Osco and in recognition of his performance, in March 2014, Mr. Sampson's retention award was increased to \$1,240,000. The first and second installments of Mr. Dimond's and Mr. Sampson's retention bonuses, each in the amount of \$375,000 and \$310,000, respectively, were paid to them on April 1, 2014 and 2015, and the remaining installments will be payable on April 1, 2016 and 2017, generally subject to their remaining actively working, without having been demoted, through each applicable payment date.