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assignment of Mr. Miller's employment and the Miller Employment Agreement to the company. The term of Mr. Miller's employment under the Miller Employment Agreement will expire on January 30, 2018.

The Miller Employment Agreement provides that Mr. Miller will serve as Chairman and Chief Executive Officer (which will be the senior most executive officer) and a voting member of the board of directors and of any executive or operating committee of the board of directors other than, following the consummation of the IPO-Related Transactions and this offering, the compensation committee, audit committee or any other committee required by the rules of the SEC or the applicable securities exchange to be made up of solely independent directors.

The Miller Employment Agreement provides that Mr. Miller will receive an annual base salary in the amount of \$2,000,000 per year.

In the event of a termination of Mr. Miller's employment by us without Cause or by Mr. Miller with Good Reason, subject to his execution of a release, Mr. Miller will be entitled to a lump sum payment equal to his base salary for the remainder of the term and his target bonus. In addition, following the term of Mr. Miller's employment, Mr. Miller will be entitled to a payment of \$50,000 per month (or partial month) during his lifetime and, after his death, his spouse will become entitled to a payment of \$25,000 per month for each month (or partial month) during her lifetime. In any event, such payments will cease on the tenth anniversary of the end of the term.

Pursuant to the Miller Employment Agreement, Mr. Miller is entitled to the use of corporate aircraft for up to 100 hours of personal use per year for himself, his family members and guests at no cost to him, other than to pay income tax on such usage at the lowest permissible rate. In addition, pursuant to the Miller Employment Agreement, we assigned \$5.0 million of the key man life insurance policy we had obtained on Mr. Miller's life to Mr. Miller in favor of one or more beneficiaries designated by him from time to time. We agreed to maintain such policy (or substitute equivalent policies) in effect for a period of at least 10 years following the closing of the Safeway acquisition (whether or not Mr. Miller remains employed with the company).

For purposes of the Miller Employment Agreement, "Cause" generally means:

- an act of fraud, embezzlement, or misappropriation by Mr. Miller intended to result in substantial personal enrichment at the expense of the company; or
- Mr. Miller's willful or intentional failure to materially comply (to the best of his ability) with a specific, written direction of the board of directors of AB Acquisition that is consistent with normal business practice and not inconsistent with the Miller Employment Agreement and his responsibilities thereunder, and that within 10 business days after the delivery of written notice of the failure is not cured to the best of his ability or that Mr. Miller has not provided notice that the failure was based on his good faith belief that the implementation of such direction would be unlawful or unethical.

For purposes of the Miller Employment Agreement, "Good Reason" generally means any of the following occurs:

- a change of control;
- any material adverse alteration in Mr. Miller's titles, positions, duties, authorities, reporting relationships or responsibilities that is not cured within 10 business days of notice from Mr. Miller; or
- any material failure by us to comply with the Miller Employment Agreement that is not cured within 10 business days of notice from Mr. Miller.