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- for so long as any Holder has beneficial ownership of less than 15% but at least 10% of our then-outstanding common stock, such Holder shall have the right to designate one individual to our board of directors who satisfies the Director Requirements.

For so long as any Sponsor (other than Kimco Realty) indirectly beneficially owns at least 10% of our then-outstanding common stock, but does not have a representative (whether an Albertsons Investor Designee or otherwise) on our board of directors, such Sponsor shall have the right to appoint one observer to our board of directors (an "Observer"). An Observer may attend any meeting of our board of directors provided that no Observer shall have the right to vote or otherwise participate in the board of directors meeting in any way other than to observe any applicable meeting of our board of directors. Our board of directors or any committee thereof shall have the right to exclude an Observer from any meeting or portion thereof in the sole discretion of a majority of the members in attendance at such meeting.

Under the Stockholders' Agreement, in the event of a vacancy on our board of directors arising through the death, resignation or removal of a Holder's board designee, the Holder shall have the right to designate a replacement who satisfies the Director Requirements to fill such vacancy.

Indemnification; Expenses

We have agreed to indemnify Albertsons Investor, Kimco, Management Holdco or any Holder, against any losses or damages resulting from any untrue statement or omission of material fact in any registration statement or prospectus pursuant to which it sells our shares, unless such liability arose from Albertsons Investor, Kimco, Management Holdco or any such Holder's, misstatement or omission, and Albertsons Investor, Kimco, Management Holdco and the Holders, have agreed to indemnify us against all losses caused by its misstatements or omissions. We also agreed to pay all expenses incident to our performance of or compliance with the registration rights under the Stockholders' Agreement, including but not limited to all underwriting discounts, commissions, fees and related expenses of underwriters.

Albertsons Investor Limited Liability Company Agreement

The Cerberus-led Consortium, other than Kimco, and certain other individuals who agreed to co-invest with them through Albertsons Investor, will enter the Albertsons Investor LLC Agreement. The Albertsons Investor LLC Agreement will be entered into upon consummation of the IPO-Related Transactions and this offering. A copy of the form Albertsons Investor LLC Agreement that will be entered into will be filed as an exhibit to the registration statement of which this prospectus is a part.

Policy and Procedures for the Review, Approval or Ratification of Transactions with Related Persons

Prior to the completion of this offering, our board of directors will adopt a written policy (the "Related Party Policy") and procedures for the review, approval or ratification of "Related Party Transactions" by the independent members of the audit and risk committee of our board of directors. For purposes of the Related Party Policy, a "Related Party Transaction" is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including the incurrence or issuance of any indebtedness or the guarantee of indebtedness) in which (1) the aggregate amount involved will or may be reasonably expected to exceed \$120,000 in any fiscal year, (2) the company or any of its subsidiaries is a participant, and (3) any Related Party (as defined herein) has or will have a direct or indirect material interest.

The Related Party Policy defines "Related Party" as any person who is, or, at any time since the beginning of the company's last fiscal year, was (1) an executive officer, director or nominee for election as a director of the company or any of its subsidiaries, (2) a person with greater than five