

Table of Contents**Preferred Stock**

Our board of directors is authorized, by resolution or resolutions, to issue up to 30,000,000 shares of our preferred stock. Our board of directors is authorized, by resolution or resolutions, to provide, out of the unissued shares of our preferred stock, for one or more series of preferred stock and, with respect to each such series, to fix, without further stockholder approval, the designation, powers, preferences and relative, participating, option or other special rights, including voting powers and rights, and the qualifications, limitations or restrictions thereof, of each series of preferred stock pursuant to Section 151 of the DGCL. Our board of directors could authorize the issuance of preferred stock with terms and conditions that could discourage a takeover or other transaction that some holders of our common stock might believe to be in their best interests or in which holders of common stock might receive a premium for their shares over and above market price. We have no current plan to issue any shares of preferred stock.

Composition of our Board of Directors

Upon the closing of this offering, it is anticipated that we will have 12 directors. The Stockholders' Agreement will provide that, except as otherwise required by applicable law, from the date (a) immediately prior to the 50% Trigger Date, the Designated Controlling Stockholder shall set the size of the board of directors at 13 directors; (b) on which we are no longer a controlled company under the applicable rules of the NYSE but prior to the 35% Trigger Date, Albertsons Investor shall have the right to designate a number of individuals who satisfy the Director Requirements equal to one director fewer than 50% of our board of directors at any time and shall cause its directors appointed to our board of directors to vote in favor of maintaining a 13-person board of directors unless the management board of Albertsons Investor otherwise agrees by the affirmative vote of 80% of the management board of Albertsons Investor; (c) on which a Holder has beneficial ownership of at least 20% but less than a 35% of our then-outstanding common stock, the Holder will have the right to designate a number of individuals who satisfy the Director Requirements equal to the greater of three or 25% of the size of our board of directors at any time (rounded up to the next whole number); (d) on which a Holder has beneficial ownership of at least 15% but less than 20% of our then-outstanding common stock, the Holder will have the right to designate the greater of two or 15% of the size of our board of directors at any time (rounded up to the next whole number) and (e) on which a Holder has beneficial ownership of at least 10% but less than 15% of our then-outstanding common stock, it will have the right to designate one individual who satisfies the Director Requirements.

Pursuant to the Albertsons Investor LLC Agreement and the Stockholders' Agreement, prior to the 50% Trigger Date, a majority vote of the management board of Albertsons Investor is required to designate directors to our board of directors if the designated directors consist of four designees of Cerberus (if Cerberus so requests) and one designee from each other member of the Cerberus-led Consortium (other than Kimco) and Robert Miller (if such member and Mr. Miller so requests). From the date on which we are no longer a controlled company under the applicable rules of the NYSE but prior to the 35% Trigger Date, then a majority vote of the management board of Albertsons Investor is required to designate nominees to be included in the slate for election to our board of directors if the designated nominees consist of three nominees of Cerberus and three nominees in total from the other members of the Cerberus-led Consortium and Robert Miller. The nominees shall include persons that are "independent" for purposes of the Listed Company Rules of the NYSE if required to comply with such rules.

Our certificate of incorporation provides that our board of directors will consist of not less than seven directors and not more than 15 directors, and that the exact number of directors will be determined by our board of directors. Our certificate of incorporation also provides that, prior to the 50% Trigger Date, the Designated Controlling Stockholder may increase or decrease the authorized