

Table of Contents

AB ACQUISITION LLC AND SUBSIDIARIES
Notes to Consolidated Financial Statements

the termination, certain plan participants were required to purchase equity of AB acquisition at an amount equal to 50.0% of their LTIPs payouts upon closing of the Safeway acquisition. The total value of units purchased by these plan participants was approximately \$33.2 million.

Note 15—Related Parties***Symphony Investors LLC Tender Offer***

On March 21, 2013, associated with the NAI acquisition, Symphony Investors LLC ("Symphony"), which is owned by a consortium of investors led by Cerberus, acquired 21.1% of SuperValu shares. Symphony held 20.7% of SuperValu shares at February 28, 2015.

Transition Services Agreement with SuperValu

The Consolidated Financial Statements include expenses for certain support functions provided by SuperValu through Transition Services Agreements ("TSA") including, but not limited to, general corporate expenses related to finance, legal, information technology, warehouse and distribution, human resources, communications, processing and handling cardholder data and procurement of goods. Prior to March 21, 2013, the cost structure of the TSA was based mainly on the number of Company stores and distribution centers serviced by SuperValu, as well as a fixed annual fee of \$20.0 million. On March 21, 2013, the Company entered into a new TSA with SuperValu for a total annual fee of \$200.0 million, paid monthly over the first 12 months of the new TSA. In December 2013, the fee of \$200.0 million was renegotiated with SuperValu and reduced to \$193.0 million. Beginning in month 13, fees are calculated on a per-store and distribution center basis of fixed and variable costs for services. The Company also paid a transition fee of \$60.0 million amortized on a straight line basis over the 30-month life of the agreement.

On September 12, 2014, the Company exercised its right to renew the term of the TSA with SuperValu for an additional year. The original TSA had an initial term expiring on September 21, 2015 and included 10 options for additional one-year renewals with notice given to SuperValu at least 12 months prior to the expiration of the then current term. The renewal extends the TSA through September 21, 2016.

On April 16, 2015, the Company entered into a letter agreement regarding the TSA with SuperValu (the "TSA Letter Agreement") pursuant to which SuperValu will provide services to the Company as needed to transition and wind down the TSA and the services SuperValu provides under the TSA. In exchange for these transition and wind down services, the agreement calls for eight payments of \$6.3 million every six months for aggregate fees of \$50.0 million. These payments are separate from and incremental to the fixed and variable fees the Company pays to SuperValu under the TSA. The parties also agreed to negotiate in good faith if either the costs associated with the transition and wind down services are materially higher (i.e. 5.0% or more) than anticipated, or SuperValu is not performing in all material respects the transition and wind down services as needed to support the Company's transition and wind down activities.