

**ALBERTSONS COMPANIES, INC.  
CORPORATE GOVERNANCE GUIDELINES**

**Adopted February 26, 2020**

The Board of Directors (the “Board”) of Albertsons Companies, Inc. (the “Company”) has adopted the following Guidelines (the “Guidelines”) to assist the Board in the exercise of its responsibilities and to serve the best interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Certificate of Incorporation, Bylaws and other corporate governance documents. The Guidelines are subject to modification from time to time by the Board.

**THE BOARD**

**1. Director Responsibilities**

The responsibility of the Board is to supervise and direct the management of the Company in the interest and for the benefit of the Company’s stockholders. To that end, the Board shall have the following responsibilities, among other things:

- (a) overseeing the conduct of the Company’s business, including evaluating whether the business is being properly managed;
- (b) reviewing and, where appropriate, approving the Company’s major financial objectives, plans and actions;
- (c) selecting and evaluating a well-qualified Chief Executive Officer of high integrity;
- (d) electing a Chairman of the Board or Co-Chairmen of the Board (each referred to herein as the “Chairman) and/or Lead Director;
- (e) reviewing and, where appropriate, approving actions to be undertaken by the Company that would make a material change in the financial structure or control of the Company, the acquisition or disposition of any businesses or asset(s) material to the Company or the entry of the Company into any major new line of business;
- (f) regularly evaluating the performance of the Chief Executive Officer and, with the advice of the Chief Executive Officer, the other executive officers of the Company;
- (g) planning for succession with respect to the position of Chief Executive Officer and reviewing management’s succession planning for the other executive officers; and

- (h) ensuring that the Company's business is conducted with the highest standards of ethical conduct and in conformity with the Company's Code of Business Conduct and Ethics and applicable laws and regulations.

The Board has delegated to the Chief Executive Officer, working with the other executive officers of the Company, the authority and responsibility for managing the business of the Company in a manner consistent with the standards of the Company, and in accordance with any specific directions of the Board.

In addition, the Board recognizes that the long-term interests of stockholders may be advanced by responsibly addressing the concerns of other stakeholders, including associates/employees, customers, suppliers, partners, government, local communities and the public at large.

## **2. Director Qualification Standards**

The Nominating and Corporate Governance Committee is responsible for recommending to the Board (1) director nominees for election to the Board at the annual meeting of stockholders and (2) director candidates to fill any vacancies on the Board. In evaluating the suitability of individual Board member candidates, the Nominating and Corporate Governance Committee takes into account many factors, including experience in corporate governance (such as an officer or former officer of a publicly-held company), experience as a board member of another publicly-held company, familiarity with the Company, expertise in a specific area of the Company's operations, expertise in financial markets, education and professional background and existing commitments to other businesses, including other boards of directors. Each candidate nominee must also possess fundamental qualities of intelligence, honesty, good judgment, high ethics and standards of integrity, fairness and responsibility. Furthermore, independent directors must meet the independence requirements of the New York Stock Exchange ("NYSE") and, as applicable, the Exchange Act and the Internal Revenue Code (the directors who meet such independence requirements, "Independent Directors").

In evaluating any nomination, the Nominating and Corporate Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board.

In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

## **3. Independence of the Board**

A majority of the Board must consist of Independent Directors, but shall not be required to do so for as long as the Company is a "controlled company" as defined in Section 303A of the NYSE Listed Company Manual (the "Listed Company Manual") or as permitted by any applicable transition period.

The Board and the Nominating and Corporate Governance Committee will review annually the relationships that each director has with the Company (either directly or as a director, partner, stockholder or officer of an organization that has a relationship with the

Company). Following such annual review, only those directors who meet the qualifications prescribed under the listing standards of the NYSE, and, as applicable, the Exchange Act and the Internal Revenue Code, will be considered Independent Directors.

#### **4. Board Leadership**

The Board will elect annually the Chairman, who may be the Company's Chief Executive Officer or another member of management. In the event the Chairman is a member of management, the Board shall also elect annually a Lead Director ("Lead Director"), who shall be a non-management director. The Chairman shall perform all of the duties regularly performed by a chairman of the board. The Lead Director's duties will include:

- (a) Presiding at all meetings of the Board at which the Board's Chairman is not present, including executive sessions of the non-management directors;
- (b) If the Chairman is a member of management, serving as a liaison between the Chairman and the non-management directors;
- (c) Approving and including information sent to the Board and working to ensure that the directors have information necessary to perform their duties;
- (d) Approving agendas for meetings of the Board and its committees (if the Lead Director directs that an item(s) be included on the agenda, such item(s) will be included);
- (e) Approving schedules for Board meetings to assure that there is sufficient time for discussion of all agenda items;
- (f) Having the authority to call meetings of the non-management directors;
- (g) Recommending to the Chairman the retention of consultants, as necessary, who report directly to the Board;
- (h) Coordinating, developing the agenda for, and moderating executive sessions of the Board's non-management directors;
- (i) Evaluating, along with the members of the Compensation Committee and the Board, the performance of the Chief Executive Officer, and meeting with the Chief Executive Officer to discuss the Board's evaluation;
- (j) Providing input to the Nominating and Corporate Governance Committee regarding the membership of Board committees and committee chairs; and
- (k) Such other duties and rights as the Board may from time to time authorize.

In performing the duties described above, the Lead Director is expected to consult with and solicit the participation of the chairs of the appropriate Board committees.

The identity of the Chairman and/or Lead Director will be set forth in the Company's proxy statement for its annual meeting of stockholders. The Chairman or Lead Director shall have the authority to obtain advice and assistance, on behalf of the Board, from internal or external legal, accounting or other advisors.

## **5. Size of Board**

The Board currently has 12 members. The Board believes the current size is appropriate based on the Company's present circumstances.

## **6. Selection of New Directors**

Each year at the Company's annual meeting, the stockholders are asked to elect directors. Each year, the Board will recommend a slate of directors for election by the stockholders. In accordance with the Bylaws of the Company, the Board will also be responsible for filling vacancies or newly-created directorships on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee will be responsible for identifying, screening and recommending candidates to the entire Board for Board membership, including potential nominees submitted by stockholders, consistent with the Company's obligation by contract, certificate of incorporation, bylaw or otherwise. The Nominating and Corporate Governance Committee will consider the factors set forth in its charter and in these Guidelines. Stockholders may also nominate directors for election at the Company's annual stockholders meeting by following the provisions set forth in the Bylaws of the Company.

The Nominating and Corporate Governance Committee will preliminarily review each potential candidate's qualifications in light of the Company's standards for overall structure and composition of the Board and the minimum director qualifications, as set forth herein and in the charter of the Nominating and Corporate Governance Committee, and the candidate's independence, as set forth in the NYSE listing standards. If the Committee determines, after a preliminary inquiry, that the potential candidate may be qualified, the Committee will make an investigation and interview the potential candidate, as necessary, to make an informed final determination.

## **7. Failed Re-Election of Directors**

A director who, in an uncontested election, fails to receive the required number of votes for re-election in accordance with the Company's Bylaws will, within five days following the certification of the stockholder vote, tender his or her written resignation to the Chairman for consideration by the Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee will consider such tendered resignation and, within 45 days following the date of the stockholders' meeting at which the election occurred, will make a recommendation to the Board concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board, the Nominating and Corporate Governance Committee will consider all factors deemed relevant by the members of the Nominating and Corporate Governance Committee, including, without limitation, the stated reason or reasons why stockholders voted against such director's re-election, the qualifications of the director (including, for example, whether the director serves on the Audit

and Risk Committee of the Board as an “audit committee financial expert” and whether there are one or more other directors qualified, eligible, and available to serve on the Audit and Risk Committee in such capacity), and whether the director’s resignation from the Board would be in the best interests of the Company and its stockholders.

The Nominating and Corporate Governance Committee also will consider a range of possible alternatives concerning the director’s tendered resignation as the members of the Nominating and Corporate Governance Committee deem appropriate, including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Nominating and Corporate Governance Committee to have substantially resulted in such director failing to receive the required number of votes for re-election.

The Board will take formal action on the Nominating and Corporate Governance Committee’s recommendation no later than 75 days following the date of the stockholders’ meeting at which the election occurred. In considering the Nominating and Corporate Governance Committee’s recommendation, the Board will consider the information, factors, and alternatives considered by the Nominating and Corporate Governance Committee and such additional information, factors, and alternatives as the Board deems relevant.

Following the Board’s decision on the Nominating and Corporate Governance Committee’s recommendation, the Company, within four business days after such decision is made, will publicly disclose, in a Form 8-K filed with the Securities and Exchange Commission, the Board’s decision, together with a full explanation of the process by which the decision was made and, if applicable, the Board’s reason or reasons for rejecting the tendered resignation.

No director who, in accordance with these Guidelines, is required to tender his or her resignation, shall participate in the Nominating and Corporate Governance Committee’s deliberations or recommendation, or in the Board’s deliberations or determination, with respect to accepting or rejecting his or her resignation as a director. If a majority of the members of the Nominating and Corporate Governance Committee fail to receive the required number of votes for re-election, then the independent directors then serving on the Board who were elected at the stockholders’ meeting at which the election occurred, and the independent directors, if any, who were not standing for election at such stockholders’ meeting, will appoint an ad hoc Board committee from amongst themselves (the “Ad Hoc Committee”), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Nominating and Corporate Governance Committee and perform the Nominating and Corporate Governance Committee’s duties for purposes of these Guidelines. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it, the entire Board (other than the individual director whose resignation is being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Nominating and Corporate Governance Committee and without the creation of an Ad Hoc Committee.

## **8. Separate Sessions of Non-Management Directors**

The non-management directors will meet in executive session without management directors or management present on a periodic basis, as appropriate. The Chairman (if a non-management director) or Lead Director will chair these meetings. In his or her absence, the non-management directors shall select at the beginning of each such executive session a specific director from those present to chair the meeting.

## **9. Limitation on Other Board Service**

The Nominating and Corporate Governance Committee and the Board will take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors. Directors must advise the Chairman and the chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. It is the policy of the Board that no director shall serve on more than five public company boards, including the Company Board. If a director serves on more than three public company boards, the Nominating and Corporate Governance Committee shall determine whether service on such boards impairs the director's ability to serve on the Board or any committee of the Board.

Due to the demanding nature of service on the Audit and Risk Committee, if a member of the Audit and Risk Committee simultaneously serves on the audit committees of the boards of directors of more than three public companies, the Board must determine that such simultaneous service will not impair the ability of the Audit and Risk Committee member to effectively serve on the Company's Audit and Risk Committee and must disclose such determination in the Company's annual proxy statement.

## **10. Change of Status**

Any director who resigns or retires from or otherwise terminates his or her present employment, or who materially changes his or her work responsibilities, should offer to tender his or her resignation for consideration by the Board. The Nominating and Corporate Governance Committee will evaluate and make a recommendation as to whether the Board should accept the resignation based on a review of the director's past performance, whether the director continues to satisfy the Board's membership qualifications in light of his or her new occupational status and whether the change impairs in any way the director's independence or ability to serve on the Board.

## **11. Director Compensation**

The Compensation Committee is responsible for reviewing and recommending, on an annual basis, the compensation for non-management directors. Any change in Board compensation will be made upon the recommendation of the Compensation Committee following discussion and concurrence by the full Board.

## **12. Board Orientation and Continuing Education of Board Members**

The Nominating and Corporate Governance Committee will review and oversee any orientation programs for new directors to familiarize them with, among other things, the Company's business; strategic plans; significant financial, accounting and management issues; compliance programs; conflicts policies; code of business conduct and ethics; these Guidelines; principal officers; internal auditors; and independent auditors.

Each director is encouraged to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director. Information will be made available to directors in any area determined by the Nominating and Corporate Governance Committee to: (i) relate to the membership criteria of the Board, as described above; or (ii) enable the Board, as a unit, to make a better contribution to the governance of the Company.

## **13. Interaction with Institutional Investors, the Press and Customers**

The Board believes that management generally should speak for the Company. It is suggested that each director, including the Chairman, refer all inquiries from institutional and other investors, the press or customers to an appropriate member of senior management. Nevertheless, it is expected that directors may from time to time meet or otherwise communicate with external stakeholders, including stockholders.

Communications from stockholders shall be addressed in accordance with Section 17 (Stockholder Communications with Directors) of these Guidelines.

## **14. Board Access to Senior Management**

The Board will have complete access to Company management in order to ensure that directors can ask all questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management does not distract managers from their jobs or disturb the business operations of the Company.

## **15. Board Access to Independent Advisors**

The Board or any committee may hire independent advisors, as the Board or committee deems necessary, to assist it in evaluating proposals, transactions and information supplied by Company management.

## **16. Annual Self-Evaluation**

The Board will conduct an annual review of its performance. The Nominating and Corporate Governance Committee will be responsible for establishing the evaluation criteria, implementing the process for such evaluation, as well as making appropriate recommendations for improving performance.

The purpose of the review will be to improve the performance of the Board. The Nominating and Corporate Governance Committee will utilize the results of the Board

evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

### **17. Stockholder Communications with Directors**

Any stockholder may send written correspondence to the Board, the Chairman or Lead Director, a committee of the Board, the non-management directors or any individual director in his/her capacity as such. The correspondence should be sent to the attention of the General Counsel and include the following information: the name, mailing address and telephone number of the stockholder sending the communication, the number of Company securities owned by the stockholder and, if the stockholder is not the record owner of the Company stock, the name of the record owner. The General Counsel will forward to the Board, the Chairman or Lead Director, committee or individual director(s), as appropriate, any correspondence which is not more suitably directed to management. The General Counsel will log and prepare a summary of all correspondence not forwarded to the Board, committee or individuals and will make such log available to the Board.

### **18. Ethics and Conflicts of Interest**

The Board expects its directors, officers, and other associates to act ethically at all times and to acknowledge adherence to the Company's Code of Business Conduct and Ethics. Any waiver of the Code of Business Conduct and Ethics for directors and executive officers may be made only by the Board of Directors or a Board committee and must be promptly disclosed to stockholders. Directors are expected to avoid any action, position, or interest that conflicts with an interest of the Company, or that gives the appearance of a conflict. If any actual or potential conflict of interest arises for a director, the director shall promptly inform the Chief Executive Officer and the Chair of the Nominating and Corporate Governance Committee. All directors will recuse themselves from any discussion affecting their personal, business, or professional interests.

## **BOARD MEETINGS**

### **19. Frequency of Meetings**

The Board will meet at least four times annually. In addition, special meetings may be called from time to time as set forth in the Bylaws of the Company.

### **20. Director Attendance**

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to prepare regularly for and attend meetings of the Board and all committees on which the director sits (including separate meetings of non-management directors and Independent Directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman, if applicable, or the Chair of the appropriate committee or, in the case of a meeting of non-management directors or Independent Directors, the Chairman or Lead Director, as applicable, in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.



Each director is expected to attend in person the Company's annual meeting of stockholders, absent extraordinary circumstances.

## **21. Agendas**

The Chief Executive Officer will prepare, in consultation with the Chairman or Lead Director, the agenda for each Board meeting. Any director, however, may recommend the inclusion of specific agenda items.

## **22. Advance Receipt of Meeting Materials**

To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

## **COMMITTEE MATTERS**

### **23. Number, Name, Responsibilities and Independence of Committees**

The Board has established four standing committees to facilitate and assist in the execution of the Board's duties: audit and risk, compensation, nominating and corporate governance, and compliance. The Board may establish or disband its committees from time to time depending upon the circumstances. The specific duties and responsibilities of each of the Board's standing committees will be set forth in a written charter of each committee, as approved by the Board.

### **24. Assignment and Rotation of Committee Members**

The Board is responsible for the appointment of committee members and committee chairs. The Nominating and Corporate Governance Committee, with input from the Chairman or Lead Director, will review and make recommendations to the Board with regard to the membership composition of the committees. Committee membership will not be rotated on a mandatory basis, however the Nominating and Corporate Governance Committee will consider the rotation of committee members and chairs from time to time with a view to balancing the benefits of continuity with the benefits derived from a diversity of experiences and viewpoints.

The Board affirmatively requires that each member of the Audit and Risk Committee must be financially literate, as determined by the Board in its business judgment or must become financially literate within a reasonable period of time after his or her appointment and that members of the Audit and Risk Committee, the Compensation Committee and the Nominating and Corporate Governance Committee must be Independent Directors, except to the extent that the Company may comply with transition periods for companies listing in connection with an initial public offering as provided under Section 303A.00 of the NYSE Listed Company Manual.

## **25. Frequency of Committee Meetings**

Each committee will meet as often as determined by the needs of the business. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

## **26. Committee Agendas**

The Chair of each committee, in consultation with the members of the Committee and with the assistance of the Secretary, will develop his or her committee's agenda.

## **27. Committee Self-Evaluations**

Following the end of each fiscal year, each committee will review its performance and charter and recommend to the Board any changes it deems necessary.

## **28. Periodic Review**

The Nominating and Corporate Governance Committee is responsible for reviewing these Guidelines, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

# **LEADERSHIP DEVELOPMENT**

## **29. Annual Review of Chief Executive Officer**

The Compensation Committee, with input from the Chief Executive Officer and the Chairman or Lead Director, shall annually establish the performance criteria (including both long-term and short-term goals) to be considered in connection with the Chief Executive Officer's next annual performance evaluation. The Compensation Committee shall present its recommendations for performance criteria to the Board for approval. At the end of each year, with the Chief Executive Officer absent, the Board shall meet to review the Chief Executive Officer's performance. Thereafter, the Board shall meet with the Chief Executive Officer to communicate the results of the review and evaluation.

## **30. Succession Planning**

The Board will review periodically with the Chief Executive Officer the Company's succession plan relating to positions held by executive officers.

## **31. Management Development**

The Board will determine that a satisfactory system is in effect for the education, development and orderly succession of senior and mid-level managers throughout the Company.