**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 8-K

## CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 16, 2016

# SUPERVALU INC.

(Exact name of registrant as specified in its charter)

| Delaware | 1-5418 | 41-0617000 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| 11840 Valley View Road<br>Eden Prairie, Minnesota | 55344 |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (952) 828-4000

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement.**

On October 16, 2016, SUPERVALU INC. ("*Supervalu*"), Moran Foods, LLC, a wholly owned subsidiary of Supervalu ("*Save-A-Lot*"), Smith Acquisition Corp. (the "*Purchaser*"), an affiliate of Onex Partners Manager LP, and Smith Merger Sub Corp., a newly formed wholly owned subsidiary of the Purchaser ("*Merger Sub*"), entered into an Agreement and Plan of Merger (the "*Merger Agreement*") pursuant to which the Purchaser will acquire the Save-A-Lot business of Supervalu for a purchase price of $1.365 billion in cash, subject to adjustment, as further described below.

On the terms and subject to the conditions set forth in the Merger Agreement, at the closing of the transactions contemplated thereby (the "*Closing*"), Merger Sub will merge with and into Save-A-Lot (the "*Merger*") with Save-A-Lot surviving the Merger as a wholly owned subsidiary of the Purchaser, and the membership units of Save-A-Lot held by Supervalu will be converted into the right to receive from Purchaser at the Closing $1.365 billion in cash, subject to working capital, indebtedness and other customary adjustments as set forth in the Merger Agreement. Onex Partners IV, L.P. has provided a limited guarantee to Supervalu and Save-A-Lot guaranteeing certain obligations of the Purchaser and Merger Sub under the Merger Agreement.

Concurrently with entering into the Merger Agreement, Supervalu and Save-A-Lot also entered into a Separation Agreement pursuant to which, among other things, the assets and liabilities of the Save-A-Lot business will be transferred to and assumed by Save-A-Lot prior to the Closing.

Pursuant to the Merger Agreement, at the Closing, Supervalu and Save-A-Lot will enter into a Services Agreement whereby Supervalu will provide certain professional services to Save-A-Lot for a term of five years, on the terms and subject to the conditions set forth therein.

As further provided in the Merger Agreement, the consummation of the transactions contemplated by the Merger Agreement is subject to certain closing conditions, including (i) any applicable waiting periods (or extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 having expired or been terminated, (ii) the absence of any order by any governmental entity rendering the Merger illegal, or prohibiting, enjoining or otherwise preventing the Merger, (iii) the accuracy of the representations and warranties of the parties (generally subject to a material adverse effect standard), (iv) material compliance by the parties with their respective obligations under the Merger Agreement, (v) no material adverse effect having occurred with respect to the Save-A-Lot business after entry into the Merger Agreement, and (vi) other customary closing conditions. The transaction is currently expected to be completed by January 31, 2017.

The Merger Agreement contains customary indemnification obligations of each party with respect to breaches of their respective representations, warranties and covenants, and certain other specified matters, on the terms and subject to the limitations set forth in the Merger Agreement.

Under the terms of the Merger Agreement, Supervalu will be entitled to receive a termination fee of $88,725,000 from the Purchaser in the event that the Merger Agreement is terminated by Supervalu due to (i) the failure of the Purchaser to close the Merger after the financing marketing period provided for in the Merger Agreement ended if Supervalu had confirmed to Purchaser that the conditions to Supervalu's obligations to consummate the Closing had been satisfied or waived and that Supervalu was ready, willing and able to consummate the Closing or (ii) the Purchaser having breached in any material respect any of its representations, warranties or covenants in the Merger Agreement if such breach gave rise to the failure of specified conditions to Supervalu's obligation to consummate the Closing to be satisfied (subject to a cure period).

The Merger Agreement contains customary representations and warranties that are the product of negotiations among the parties thereto and that the parties made to, and solely for the benefit of, each other as of specified dates. The assertions embodied in those representations and warranties are subject to qualifications and limitations agreed to by the respective parties and are also qualified in important part by confidential disclosure schedules delivered in connection with the Merger Agreement. The representations and warranties may have been made for the purpose of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Supervalu, Save-A-Lot, any of their respective subsidiaries or affiliates or the Save-A-Lot business. The Merger Agreement has been included to provide investors with information regarding its terms. It is not intended to provide any other factual information about Supervalu, Save-A-Lot, any of their respective subsidiaries or affiliates or the Save-A-Lot business.

The foregoing description of the Merger Agreement and the Separation Agreement do not purport to be complete, and are qualified in their entirety by reference to the full text of the Merger Agreement and the Separation Agreement, which are

filed herewith as Exhibit 2.1 and Exhibit 2.2, respectively, and are incorporated herein by reference.

**Item 8.01 Other Events.**

On October 17, 2016, Supervalu issued a press release announcing the entry into the Merger Agreement pursuant to which Supervalu will sell the Save-A-Lot business to the Purchaser for a purchase price of $1.365 billion in cash, subject to adjustment. Supervalu also announced that, at the effective time of the Merger, Supervalu and Save-A-Lot will enter into a five-year Services Agreement pursuant to which Supervalu will provide certain professional services to Save-A-Lot following the sale.

A copy of the press release is filed herewith as Exhibit 99.1 and is incorporated by reference herein.

**Forward-Looking Statements**

Except for the historical and factual information contained herein, the matters set forth in this communication, particularly those pertaining to Supervalu's expectations, guidance, or future operating results, and other statements identified by words such as "estimates," "expects," "projects," "plans," "intends," and similar expressions are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including the possibility that regulatory and other approvals and conditions to the transaction are not received or satisfied on a timely basis or at all; the possibility that modifications to the terms of the transaction may be required in order to obtain or satisfy such approvals or conditions; the possibility that Supervalu may not fully realize the projected benefits of the transaction; changes in the anticipated timing for closing the transaction; business disruption during the pendency of or following the transaction; diversion of management time on transaction-related issues; and the reaction of customers and other parties to the transaction and other risk factors relating to our business or industry as detailed from time to time in Supervalu's reports filed with the SEC. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, Supervalu undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit Number | Description |
|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of October 16, 2016, by and among Smith Acquisition Corp., Smith Merger Sub Corp., Moran Foods, LLC and SUPERVALU INC.* |
| 2.2 | Separation Agreement, dated as of October 16, 2016, by and among SUPERVALU INC. and Moran Foods, LLC* |
| 99.1 | Press Release of SUPERVALU INC., dated October 17, 2016 |

*Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 17, 2016

SUPERVALU INC.

By: /s/ Bruce H. Besanko

Bruce H. Besanko
Executive Vice President, Chief Operating Officer and Chief Financial Officer
(Authorized Officer of Registrant)

**EXHIBIT INDEX**

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**Exhibit 2.1**

# AGREEMENT AND PLAN OF MERGER

by and among

SMITH ACQUISITION CORP,

SMITH MERGER SUB CORP,

MORAN FOODS, LLC

and

SUPERVALU INC.

_____

Dated as of October 16, 2016

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**AGREEMENT AND PLAN OF MERGER**

This AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of October 16, 2016, is by and among Smith Acquisition Corp, a Delaware corporation ("Purchaser"), Smith Merger Sub Corp, a Delaware corporation and a wholly owned Subsidiary of Purchaser ("Merger Sub"), Moran Foods, LLC, a Missouri limited liability company ("Save-A-Lot"), and SUPERVALU INC., a Delaware corporation ("Supervalu") (each, a "Party" and collectively "Parties").

R E C I T A L S

WHEREAS, prior to the Closing, Supervalu and Save-A-Lot will complete certain internal restructuring transactions pursuant to the Separation Agreement attached hereto as Exhibit A (the "Separation Agreement") in order to separate the Business from Supervalu and transfer it to Save-A-Lot;

WHEREAS, Supervalu holds all of the issued and outstanding membership units of Save-A-Lot (the "Units"), which engages in the Business;

WHEREAS, the Board of Managers of Save-A-Lot and the Boards of Directors of Supervalu, Purchaser and Merger Sub have determined that it is in the best interests of their respective companies and their sole members and stockholders (as applicable) to consummate the acquisition provided for herein, pursuant to which Merger Sub will, on the terms and subject to the conditions set forth herein, merge with and into Save-A-Lot (the "Merger"), so that Save-A-Lot is the surviving entity (hereinafter sometimes referred to in such capacity as the "Surviving Entity") in the Merger and a wholly owned subsidiary of Purchaser;

WHEREAS, concurrently with the execution of this Agreement, and as a condition and inducement to Supervalu's willingness to enter into this Agreement, Onex Partners IV LP (the "Guarantor") has duly executed and delivered to Supervalu a limited guaranty, dated as of the date of this Agreement, in favor of Supervalu (the "Guaranty") in the form attached hereto as Exhibit B;

WHEREAS, simultaneously with the Closing, Supervalu, Save-A-Lot and certain of their respective Affiliates have agreed to enter into a Services Agreement (the "Services Agreement") substantially in the form attached hereto as Exhibit C, pursuant to which Supervalu will provide Save-A-Lot and its Subsidiaries certain services after the Closing on the terms set forth therein;

WHEREAS, the Parties desire to make certain representations, warranties, covenants and agreements in connection with this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

1.1 Defined Terms. For the purposes of this Agreement, the following terms shall have the following meanings:

"Accounting Standard" shall mean calculations based on the books and records of Supervalu and its Subsidiaries, in accordance with GAAP on a basis of presentation consistent with that used to prepare the Business Financial Statements (including appropriate closing adjustments, as if the Closing were at a fiscal year-end) and consistent with the sample calculation and methodology set forth in Schedule I.

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person; provided that, from and after the Closing, (a) no Save-A-Lot Entity shall be deemed to be an Affiliate of Supervalu or any of Supervalu's Affiliates and (b) none of Supervalu or any of Supervalu's Affiliates shall be considered an Affiliate of any Save-A-Lot Entity. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise.

"Anticorruption and Sanctions Laws" means (a) all laws, rules, and regulations of any jurisdiction applicable to the Business or the Save-A-Lot Entities concerning bribery or corruption, including the Foreign Corrupt Practices Act of 1977, as amended and (b) economic or financial sanctions or trade embargoes applicable to the Business or the Save-A-Lot Entities imposed, administered or enforced by (i) the United States government, including those administered by the Office of Foreign Assets Control of the United States Department of the Treasury or the United States Department of State, or (ii) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"Antitrust Law" shall mean the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other applicable Laws (including non-U.S. Laws) issued by a Governmental Authority that are designed or intended to prohibit, restrict or regulate actions or transactions having the purpose or effect of monopolization, restraint of trade, lessening of competition through merger or acquisition, or effectuating foreign investment.

"Benefit Plan" shall mean any "employee benefit plan" within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA) and any employment, retention, profit-sharing, bonus, stock option, stock purchase, restricted stock and other equity or equity-based, incentive, deferred compensation, severance, redundancy, termination, retirement, pension, change in control, health, welfare, fringe benefit or other compensation or benefit plan, policy, program, agreement or arrangement made, sponsored, maintained or contributed to for the benefit of any Business Employee; provided, however, that the term "Benefit Plan" does not include any government-sponsored benefits or any Multiemployer Plan.

"Business" shall mean (a) the business, operations and activities of the Save-A-Lot segment of Supervalu conducted immediately prior to the Closing by either Supervalu or Save-A-Lot or any of their current or former Subsidiaries and (b) any terminated, divested or discontinued businesses, operations and activities that, at the time of termination, divestiture or discontinuation, primarily related to the business, operations or activities described in clause (a) as then conducted.

"Business Day" shall mean any day that is not a Saturday, a Sunday or other day on which commercial banks in the City of New York, New York are required or authorized by Law to be closed.

"Business Employee" shall mean an individual who is, immediately before the Closing, a "Save-A-Lot Group Employee" (as defined in the Separation Agreement), other than any LTD Employee.

"Business Environmental Permit" shall mean any Permit required to operate the Business or occupy and use the Business Owned Real Property or Business Leased Real Property under any applicable Environmental Law.

"Business Material Adverse Effect" shall mean any event, change, circumstance, development or effect that, individually or in the aggregate, is materially adverse to (a) the business, assets, financial condition or results of operations of the Save-A-Lot Entities, taken as a whole or (b) the ability of Supervalu to timely perform its obligations under this Agreement, the Services Agreement or the Separation Agreement as of and immediately after the Closing or to timely consummate the Merger; provided, that no such event, change, circumstance, development or effect to the extent resulting or arising from or in connection with any of the following matters shall be deemed by itself or by themselves, either alone or in combination, to constitute or contribute to a Business Material Adverse Effect described in the foregoing clause (a): (i) any event, change, circumstance or effect affecting the general conditions and trends in the hard discount limited assortment retail grocery/food store industry, including competition in any of the geographic or product areas in which any of the Save-A-Lot Entities operate, (ii) general political, economic, financial or market conditions (including interest rates, currency inflation and deflation, commodity prices and credit markets), (iii) any act of civil unrest, war or actual or purported terrorism, including an outbreak or escalation of hostilities involving the United States or any other Governmental Authority or the declaration by the United States or any other Governmental Authority of a national emergency or war, (iv) any conditions resulting from natural or manmade disasters or other acts of God, (v) the failure of the financial or operating performance of the Save-A-Lot Entities to meet internal, Supervalu's or analyst projections, forecasts or budgets for any period (provided that the

underlying causes thereof, to the extent not otherwise excluded by this definition, may be deemed to contribute to a Business Material Adverse Effect), (vi) any action taken or omitted to be taken at the written request or with the written consent of Purchaser or any action that is required to be taken by this Agreement, (vii) the execution, announcement or pendency of this Agreement and the Services Agreement or announcement, pendency or consummation of the transactions contemplated hereby or thereby, including the impact thereof on the relationships, contractual or otherwise, of the Save-A-Lot Entities with employees, customers, licensees, suppliers, vendors or partners (provided, that this clause (vii) and the foregoing clause (vi) do not apply in the context of the representations and warranties set forth in Section 3.3, Section 3.4, and Section 3.10(h) to the extent explicitly addressing the execution, delivery, commencement or performance of this Agreement or the consummation of the transactions contemplated hereby), (viii) the identity of Purchaser or any of its Affiliates as the purchaser of the Business, (ix) changes in any Laws or GAAP or other applicable accounting principles or standards or any enforcement thereof or (x) any matters described in Section 3.6 of the Save-A-Lot Disclosure Schedule; provided that any adverse events, changes, circumstances, developments or effects resulting from matters described in the foregoing clauses (i), (ii), (iii), (iv) or (ix), may be taken into account in determining whether there is or has been a Business Material Adverse Effect to the extent that they have a disproportionate effect on the Save-A-Lot Entities or the Business relative to other participants in the hard discount limited assortment retail grocery/food store industry.

"Cash" shall mean a positive or negative amount consisting of (a) the "Save-A-Lot Cash" as of the Closing pursuant to the Separation Agreement, less (b) any checks issued by any Save-A-Lot Entity but uncleared, less (c) $6.5 million.

"Code" shall mean the U.S. Internal Revenue Code of 1986, as amended.

"Compliant" means, with respect to Financing Information, such Financing Information, when taken as a whole, does not or will not, when furnished, contain any untrue statement of a material fact or omit to state any material fact necessary, in each case, in respect of the Business, in order to make such Financing Information not misleading in light of the circumstances in which made.

"Confidentiality Agreement" shall mean the Confidentiality Agreement, dated as of June 6, 2016, by and between Supervalu and Onex Partners Manager LP, an Affiliate of Purchaser.

"Contaminant" means: (i) program code or programming instruction(s) or set(s) of instructions intentionally designed to disrupt, disable, harm, interfere with or otherwise adversely affect computer programs, data files or operations (excluding software keys); or (ii) other code typically described as a virus, Trojan horse, worm, back door or other type of harmful code.

"Contract" shall mean any legally binding lease, contract, license, arrangement, option, instrument or other agreement, other than a Permit.

"Data Protection Programs" means (i) all applicable Laws and all self-regulatory programs in which any of Supervalu and the Save-A-Lot Entities have enrolled and (ii) the Payment Card Industry Data Security Standard, and (iii) any published privacy policies and internal privacy

policies and guidelines maintained or published by Supervalu and the Save-A-Lot Entities, in each case relating to privacy, data protection and data security.

"Environmental Condition" shall mean the release of any Hazardous Material into the environment on, in, under or within any property, but does not include the presence of a Hazardous Material in locations and at concentrations that are naturally occurring.

"Environmental Law" shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, release or discharge of, or exposure to, hazardous materials.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean, with respect to any entity, trade or business, any other entity, trade or business that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business, or that is, or was at the relevant time, a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

"Existing SVU ABL Agreement" means the Amended and Restated Credit Agreement, dated as of March 21, 2013 (as amended, supplemented, or otherwise modified from time to time), among SUPERVALU INC., as lead borrower, the guarantors party thereto, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other parties thereto.

"Existing SVU Term Loan Agreement" means the Second Amended and Restated Term Loan Credit, dated as of January 31, 2014 (as amended, supplemented, or otherwise modified from time to time), among SUPERVALU INC., as borrower, the guarantors party thereto, the lenders party thereto, Goldman Sachs Bank USA, as administrative and collateral agent, and the other parties thereto.

"Financial Statements" means combined balance sheets and the related combined statements of earnings, cash flows and changes in parent company equity of the Business, in each case on a carveout basis.

"Financing Information" means (a) the Audited Financial Statements (it being acknowledged that Purchaser has received all of the Audited Financial Statements); (b) unaudited combined balance sheets and related unaudited combined statements of earnings, cash flows and changes in parent company equity of the Business on a carveout basis for the fiscal year to date as of and for the interim period ended on the last day of each subsequent fiscal quarter after the most recent balance sheet provided in (a) above that is ended at least 45 days prior to the Closing Date (it being acknowledged that Purchaser has received the Interim Financial Statements), including (x) the unaudited combined balance sheets and the related unaudited combined statements of earnings, cash flows and changes in parent company equity of the Business on a carveout basis, as of and for the twelve (12) weeks ended on September 10, 2016 and the twenty-eight (28) weeks ended September 10, 2016 and (y) unaudited combined statements of earnings and cash flows of the Business on a

carveout basis, as of and for the twelve (12) weeks ended on September 12, 2015 and the twenty-eight (28) weeks ended September 12, 2015); and (c) to the extent reasonably requested by Purchaser in connection with the preparation of a confidential information memorandum customary for the type of financing contemplated by the Debt Commitment Letter as in effect on the date hereof, all reasonably available or readily attainable financial information and data regarding the Business derived from Supervalu's historical books and records (excluding any historical financial statements, which are addressed solely in clauses (a) and (b) above).

"Fiscal Period" means the fiscal periods of Supervalu identified on Schedule IV hereto.

"Franchise Laws" means the FTC Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures," 16 CFR Part 436, or any applicable state Law that specifically governs or regulates the offer or sale of franchises or the relationship between franchisors and franchisees in their capacities as such.

"Fraud" shall mean an act in the making of a representation or warranty contained in this Agreement, committed by a Person making such representation or warranty, with intent to deceive another Person, and to induce him, her or it to enter into this Agreement and requires (a) a false, materially incomplete or materially inaccurate representation of material fact made herein; (b) knowledge that such representation is false, materially incomplete or materially inaccurate; (c) an intention to induce the Person to whom such representation is made to act or refrain from acting in reliance upon it; (d) causing that Person, in reasonable reliance upon such false representation and without knowledge of the falsity of such representation, to take or refrain from taking action; and (e) causing such Person to suffer damage by reason of such reliance.

"GAAP" shall mean generally accepted accounting principles in the United States.

"Governmental Authority" shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Hazardous Material" means any substance, pollutant, contaminant, material or waste that is classified in any applicable Environmental Law as "hazardous," "toxic," "dangerous," a "pollutant," a "contaminant", or words of similar meaning, including asbestos, asbestos-containing materials, polychlorinated biphenyls, petroleum or petroleum products, radioactive materials and radon gas.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Income Tax" shall mean any federal, state, local or foreign Tax based upon or measured by net income (but not any gross income Tax and not any withholding Tax), together with any interest or penalties imposed with respect thereto.

"Indebtedness" shall mean, without duplication, in each case calculated in accordance with the Accounting Standard: (a) any indebtedness for borrowed money of any Save-A-Lot Entity, whether current, short-term or long-term, secured or unsecured, including the principal, interest and fees owing thereon; (b) any obligations of any Save-A-Lot Entity evidenced by bonds, notes, debentures or similar Contracts; (c) any capitalized lease obligations of any Save-A-Lot Entity; (d) any obligations of any Save-A-Lot Entity in respect of letters of credit, surety bonds, bank guarantees or similar instruments, to the extent drawn, including the principal, interest and fees owing thereon; (e) obligations of any Save-A-Lot Entity in respect of the deferred purchase price of assets or services to the extent such obligations exceed the unpaid balance of the purchase price therefor (it being agreed that ordinary course vendor financing in connection with the purchase of assets or services which does not exceed the unpaid balance of the purchase price of such assets or services shall not constitute Indebtedness); (f) interest rate or currency swaps, hedges or hedge-like arrangements of any Save-A-Lot Entity; (g) accrued severance benefits and associated Liabilities; (h) deferred compensation for any Save-A-Lot Group Employee (as defined in the Separation Agreement) or any Former Save-A-Lot Group Employee (as defined in the Separation Agreement); (i) any remaining liabilities with respect to the obligations set forth on Schedule V, to the extent not included in the calculation of Working Capital; (j) obligations in respect of accrued but unpaid dividends; (k) transaction expenses of any Save-A-Lot Entity arising from, and bonus amounts payable by a Save-A-Lot Entity upon consummation of, the Merger, in each case to the extent not paid or assumed by a member of the Supervalu Group at or prior to Closing and excluding any transaction expenses of the members of the Supervalu Group (such transaction expenses, for the avoidance of doubt, to be the sole responsibility of Supervalu) and excluding any financing fees and/or transaction expenses of Purchaser and its pre-Closing Affiliates; (l) self-insurance obligations or liabilities, net of self-insurance receivables, in each case relating to workers' compensation, medical and disability obligations, general liability and automobile liability; (m) guarantees of any such indebtedness or other obligation specified in clauses (a) to (l) above of any other Person by any Save-A-Lot Entity; (n) any payroll or similar Taxes in respect of the foregoing clauses (g), (h), (k) and (m) (with respect to clauses (g), (h) and (k) only); or (o) prepayment penalties or fees, breakage costs or other similar amounts payable by any Save-A-Lot Entity in connection with the repayment of any such indebtedness or other obligations specified in clauses (a) to (l) above in full on the Closing Date; provided, that "Indebtedness" shall not include any intercompany indebtedness owing by one Save-A-Lot Entity to another Save-A-Lot Entity; provided, further, that "Indebtedness" shall include any of the above included as "Save-A-Lot Liabilities" as defined under the Separation Agreement.

"Intellectual Property" all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, registrations, uniform resource locators, social media sites and accounts and related rights,

(d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions and (e) trade secrets and other similar non-public and confidential business, technical and know-how information and rights to limit the use or disclosure thereof by any Person.

"Interest Rate" shall mean a rate per annum equal to the one (1)-month LIBOR (as published by the ICE Benchmark Administration, or, if not published therein, in another authoritative source selected by Supervalu and Purchaser), on the date such payment was required to be made (or if no quotation for one (1)-month LIBOR is available for such date, on the next preceding date for which such quotation is available) plus 125 basis points.

"IRS" shall mean the Internal Revenue Service.

"Knowledge" shall mean the actual knowledge after reasonable inquiry, with respect to Supervalu, of any Person listed in Section 1.1(a) of the Save-A-Lot Disclosure Schedules, and the actual knowledge after reasonable inquiry, with respect to Purchaser, of Anthony Munk, Matthew Ross and Adina Notto.

"Law" shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, Order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liability" shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest, escheat and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any Contract or other agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Licensee Contract" means any Contract with a store licensee in respect of a Save-A-Lot licensee store.

"Liens" shall mean all liens, mortgages, deeds of trust, deeds to secure debt, pledges, charges, security interests, purchase agreements, options, rights of first refusal, restrictions on transfer, easements, encroachments, title defects or other encumbrances.

"Losses" shall mean losses, liabilities, costs, damages, Taxes, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

"LTD Employee" shall mean a "Save-A-Lot LTD Employee" (as defined in the Separation Agreement).

"Marketing Period" shall mean the first period of seventeen (17) consecutive Business Days commencing on or after October 31, 2016 throughout and at the end of which:

(a) Purchaser and the Lenders shall have had access to all requested Financing Information that is Compliant (it being understood that if Supervalu shall in good faith reasonably believe that it has provided such Compliant Financing Information, Supervalu may deliver to Purchaser a written notice to that effect (stating when it believes such Compliant Financing Information was delivered), in which case the foregoing requirement of this definition shall be deemed to have been satisfied on the date specified in that notice, unless Purchaser in good faith reasonably believes that Supervalu has not completed delivery of such Compliant Financing Information and, within two (2) Business Days after its receipt of such notice from Supervalu, Purchaser delivers a written notice to Supervalu to that effect (stating with specificity which Financing Information has not been delivered or is not Compliant));

(b) the conditions set forth in Sections 8.1 and 8.2 shall be satisfied or waived (other than Section 8.1(a) and conditions that by their nature will not be satisfied until the Closing); and

(c) nothing shall have occurred and no condition shall exist that would cause any of such conditions to fail to be satisfied assuming the Closing were to be scheduled for any time during such seventeen (17) consecutive-Business Day period;

provided that the Marketing Period (i) shall not be required to be consecutive to the extent it would include November 24 through November 27, 2016 (which dates shall be excluded for purposes of calculating such seventeen (17) consecutive Business Day period) and if such seventeen (17) consecutive Business Day period has not ended prior to December 22, 2016, then it will not commence until January 3, 2017, (ii) shall end on any earlier date that is the date on which the Debt Financing is consummated and (iii) shall not commence or be deemed to have commenced if, after the date hereof and prior to the completion of such seventeen (17) consecutive Business Day period: (A) the Business's independent accountant shall have withdrawn its audit opinion with respect to any Financial Statements contained in the Financing Information for which it has provided an opinion, in which case the Marketing Period shall not be deemed to commence unless and until a new unqualified audit opinion is issued with respect to the Financial Statements of the Business for the applicable periods by such independent accountant or another independent public accounting firm of recognized national standing; (B) Supervalu or Save-A-Lot issues a public statement indicating its intent to restate any historical Financial Statements of the Business or that any such restatement is under consideration or may be a possibility, in which case the Marketing Period shall not be deemed to commence unless and until such restatement has been completed and the relevant Financing Information has been amended or Supervalu or Save-A-Lot, as applicable, has announced that it has

concluded that no restatement shall be required in accordance with GAAP; or (C) any Financing Information would not be Compliant at any time during such seventeen (17) consecutive Business Day period, it being understood that in any case if any Financing Information provided at the commencement of the Marketing Period ceases to be Compliant during such seventeen (17) consecutive Business Day period, then the Marketing Period shall be deemed not to have commenced until the Financing Information is Compliant.

"Material Food Vendor Contract" shall mean any Vendor Contract with a vendor that is required to be listed in Section 3.15(b) of the Save-A-Lot Disclosure Schedule.

"Multiemployer Plan" shall mean a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

"Oracle Agreements" means the licenses assigned to Save-A-Lot on February 26, 2016 under (i) the Software License and Services Agreement, dated as of May 25, 1995, by and between SUPERVALU INC. and Oracle Corporation and (ii) the Oracle License and Services Agreement, dated as of December 12, 2012.

"Order" shall mean any outstanding order, judgment, writ, injunction, stipulation, award or decree issued, promulgated or entered by or with any arbitrator or Governmental Authority.

"Permits" shall mean permits, approvals, authorizations, consents, licenses, exemptions, qualifications, waivers, registrations or certificates issued by any Governmental Authority.

"Permitted Liens" shall mean (a) mechanics', carriers', workmen's, repairmen's, warehousemen's, materialmen's or other like Liens arising or incurred in the ordinary course of business consistent with past practice for amounts not yet overdue, Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business and Liens for Taxes, assessments or other governmental charges or levies that are not due or payable or that are being contested by appropriate Actions or that may thereafter be paid without penalty, (b) Liens disclosed on or reflected in the Business Financial Statements, (c) defects or imperfections of title or encumbrances not, individually or in the aggregate, materially detracting from the value of the Save-A-Lot Entities, taken as a whole, or materially interfering with the ordinary conduct of the Business as a whole, (d) leases, subleases and similar agreements with respect to the Business Leased Real Property or Business Owned Real Property (collectively, the "Real Property"), not, individually or in the aggregate, materially detracting from the value of the Save-A-Lot Entities, taken as a whole, or materially interfering with the ordinary conduct of the Business as a whole, (e) any easements, covenants, rights-of-way, restrictions of record and other similar charges, in each case not, individually or in the aggregate, materially detracting from the value of the Save-A-Lot Entities, taken as a whole, or materially interfering with the ordinary conduct of the Business as a whole, (f) any conditions that would be shown by a current, accurate survey or physical inspection of any Real Property which would not, individually or in the aggregate, materially detract from the value of the Save-A-Lot Entities, taken as a whole, or materially interfere with the ordinary conduct of the Business as a whole, (g) zoning, building and other similar restrictions which are not violated in any material respect by the current use and operation of the Real Property, (h) Liens that have been placed by any developer, landlord or

other third party on property owned by third parties over which any of Supervalu or Save-A-Lot Entities has easement rights and subordination or similar agreements relating thereto, not, individually or in the aggregate, materially detracting from the value of the Save-A-Lot Entities, taken as a whole, or materially interfering with the ordinary conduct of the Business as a whole, (i) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance, social security or other similar obligations, (j) Liens not created by Supervalu or any of its Subsidiaries that affect the underlying fee interest of any Business Leased Real Property not, individually or in the aggregate, materially interfering with the ordinary conduct of the Business as a whole, and (k) licenses or other rights granted to Intellectual Property. For the avoidance of doubt, in no event shall any Liens on the assets or properties of the Save-A-Lot Entities, including the Real Property, securing any indebtedness or other obligations of the Supervalu Group be a "Permitted Lien" as of the Closing.

"Person" shall mean an individual, partnership (general or limited), corporation, limited liability company, joint venture, association or other form of business organization (whether or not regarded as a legal entity under applicable Law), trust or other entity or organization, including a Governmental Authority.

"Personal Information" means any information relating to an identified or identifiable natural person or information pertaining to an individual, in each case to the extent such information is regulated or protected by applicable Law.

"Post-Closing Tax Period" shall mean any taxable period beginning after the Closing Date, and, in the case of any Straddle Period, the portion of such period beginning after the Closing Date.

"Pre-Closing Tax Period" shall mean any taxable period ending on or prior to the Closing Date and, in the case of any Straddle Period, the portion of such period ending on and including the Closing Date.

"Predecessor" shall mean any Person that may be a predecessor entity to Supervalu solely with respect to the Business by any legal means, including (a) pursuant to any applicable Law, whether by statutory merger, de facto merger, consolidation, combination, division, dissolution, reorganization or otherwise or (b) based on any theory or doctrine of successor liability, whether by statute or at common law.

"Purchase Price" means $1,365,000,000 in cash plus the Closing Adjustment, if any.

"Purchaser Material Adverse Effect" shall mean any event, change, development or effect that would reasonably be expected to be, individually or in the aggregate, materially adverse to the ability of Purchaser to timely perform its obligations under this Agreement or the Services Agreement or to timely consummate the Merger.

"Purchaser Related Parties" means Purchaser, the Guarantor and any of their respective former, current or future general or limited partners, stockholders, managers, members, directors, officers, employees, other representatives, Affiliates, equity holders, controlling persons, successors or assigns, and the Debt Financing Source Parties.

"Save-A-Lot Benefit Plan" shall mean each Benefit Plan sponsored or maintained by any Save-A-Lot Entity as of or after the Closing.

"Save-A-Lot Entity" shall mean Save-A-Lot and each Person that is or will be a Subsidiary of Save-A-Lot as of or after the Closing (which Subsidiaries as of the Closing are specified on Section 1.1(b) of the Save-A-Lot Disclosure Schedules), even if, prior to the Closing, such Person is not a Subsidiary of Save-A-Lot.

"Save-A-Lot Names" shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of Supervalu or any Save-A-Lot Entity using or containing "Save-A-Lot" or the names set forth on Section 1.1(c) of the Save-A-Lot Disclosure Schedules, either alone or in combination with other words or elements, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

"Save-A-Lot Registration Statement" shall mean the Registration Statement on Form 10 filed by Save-A-Lot, Inc., a Delaware corporation, with the SEC on January 7, 2016 (including all exhibits thereto), as amended from time to time prior to the date that is three (3) Business Days prior to the date of this Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"Section 336(e)/338(h)(10) Entities" shall mean the Save-A-Lot Entities, in each case, that are set forth on Schedule II hereto.

"Securities Act" shall mean the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Software" shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Straddle Period" shall mean any taxable period that begins on or before the Closing Date and ends after the Closing Date.

"Subsidiary" shall mean, with respect to any Person, any corporation, entity or other organization, whether incorporated or unincorporated, of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit

interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Supervalu Benefit Plan" shall mean each Benefit Plan established, sponsored or maintained by the Supervalu Group, excluding any Save-A-Lot Benefit Plan.

"Supervalu Equity Award Ratio" means (a) with respect to a Supervalu Equity Award granted within twelve (12) months prior to the Closing Date, a fraction, the numerator of which is the number of days elapsed from the grant date of such Supervalu Equity Award through and including the Closing Date and the denominator of which is three hundred sixty-five (365); and (b) with respect to a Supervalu Equity Award granted more than twelve (12) months prior to the Closing Date, a fraction, the numerator of which is the number of days elapsed from the immediately preceding vesting date applicable to such Supervalu Equity Award through and including the Closing Date and the denominator of which is three hundred sixty-five (365).

"Supervalu Group" shall mean Supervalu and its Subsidiaries (other than any Save-A-Lot Entity).

"Supervalu Names" shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of Supervalu or any member of the Supervalu Group in respect of or relating to the Supervalu business, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing, except for the Save-A-Lot Names.

"Supervalu Related Parties" means Supervalu, any member of the Supervalu Group or any of their respective former, current or future general or limited partners, stockholders, managers, members, directors, officers, employees, other representatives, Affiliates, equity holders, controlling persons, successors or assigns; provided that the Save-A-Lot Entities will not be considered "Supervalu Related Parties" following the consummation of the Closing.

"Target Working Capital Amount" shall mean $120 million.

"Tax" shall mean any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers' compensation, unemployment, disability, property, *ad valorem*, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other tax (and any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any Governmental Authority, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing, and including liability for any of the foregoing items pursuant to Treasury Regulations Section 1.1502-6 (or any similar state, local or foreign Tax Law) as a transferee or as a successor, but excluding, in all cases, any escheat or unclaimed property obligation.

"Tax Benefit" shall mean any actual reduction in cash Taxes paid or required to be paid (and any actual increase in a cash Tax refund or credit in lieu of a cash tax refund, and including any interest paid by the relevant taxing authority with respect thereto and any interest that would have

been payable to the relevant taxing authority but for such Tax Benefit) arising from a Tax Item, determined on a "with and without basis".

"Tax Claim" shall mean any claim received by one Party or its Affiliates with respect to Taxes made by any taxing authority that, if pursued successfully, would reasonably be expected to serve as the basis for a claim against the other Party for indemnification under Article VII.

"Tax Item" shall mean any item of income, gain, loss, deduction, credit, recapture of credit or any other item that increases or decreases Taxes paid or required to be paid.

"Tax Proceeding" shall mean any inquiry, audit, examination, contest, litigation or other proceeding by, with or against any Governmental Authority relating to Taxes.

"Tax Reserves" means the state and local income tax reserve of approximately $4,400,000 and the approximately $1,100,000 reserve with respect to sales and use state and local taxes, in each case (i) as reflected in the Business Financial Statements, and (ii) as specified with respect to particular matters, jurisdictions and taxable periods on Schedule VI. Notwithstanding any other provision of this Agreement, neither Indebtedness nor Working Capital shall include Tax Reserves.

"Tax Return" or "Return" shall mean any return, declaration, report, election, claim for refund or information return or statement filed or required to be filed with any taxing authority relating to Taxes, and any amendment thereof and attachment thereto.

"Third-Party Claim" shall mean the assertion by any Person (including any Governmental Authority) that is not Supervalu, the Save-A-Lot Entities, Purchaser and/or any of their respective controlled Affiliates of any claim or of the commencement by any such Person of any Action.

"United States" shall mean the United States of America, including any State thereof and the District of Columbia.

"Vendor Contracts" shall mean Contracts with third-party vendors that relate to the Business.

"WARN" shall mean the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq.

"Working Capital" shall mean an amount, whether positive or negative, for the Save-A-Lot Entities on a combined basis as of the close of business on the reference date, equal to "Current Assets" minus "Current Liabilities" (with Current Assets and Current Liabilities calculated in accordance with the Accounting Standard on the basis of the applicable line items specified in Schedule I), provided that Current Assets shall exclude (a) any Save-A-Lot Cash or other Cash (each as defined in the Separation Agreement) or any other cash or cash equivalents, (b) any current or deferred assets relating to U.S. federal, state, local or foreign Income Taxes of the Save-A-Lot Entities and (c) any rights under the Services Agreement, provided, further that Current Liabilities shall exclude (i) any Indebtedness, (ii) any current or deferred Liabilities relating to U.S. federal, state, local or foreign Income Taxes of the Save-A-Lot Entities, (iii) any amounts payable in respect of capital expenditures that would otherwise be included within accounts payable, (iv) any checks

issued by any Save-A-Lot Entity but uncleared, (v) any transaction expenses of the members of the Supervalu Group (such transaction expenses, for the avoidance of doubt, to be the sole responsibility of Supervalu) and any financing fees and/or transaction expenses of Purchaser and its pre-Closing Affiliates and (vi) any payment obligations under the Services Agreement; provided, further that Working Capital shall not include any intercompany indebtedness or receivables owing by one Save-A-Lot Entity to another Save-A-Lot Entity.

1.2 Other Definitions. The following terms shall have the meanings defined in the Section indicated:

| Term | Section |
|---|---|
| Agreement | Preamble |
| Allocation | 7.1(d) |
| Alternate Financing | 5.11(a) |
| Articles of Merger | 2.2 |
| Audited Financial Statements | 3.5(a) |
| Benefit Taxable Years | 10.6 |
| Business Financial Statements | 3.5(a) |
| Business Intellectual Property | 3.16(a) |
| Business Leased Real Property | 3.12(b) |
| Business Material Contracts | 3.15(a) |
| Business Owned Real Property | 3.12(a) |
| Cap | 10.2(b)(ii) |
| Certificate | 2.4(a)(ii) |
| Change of Control | 5.15(b)(ii)(C) |
| Closing | 2.7(a) |
| Closing Adjustment | 2.8(b) |
| Closing Date | 2.7(a) |
| Closing Date Balance Sheet | 5.14(a)(iii) |
| Closing Notice | 2.8(a) |
| Combined Tax Return | 7.4(a) |
| Commitment Letters | 4.6(b) |
| Competitive Store | 5.15(b)(ii)(A) |
| Continuation Period | 6.1 |
| Core Real Property | 3.12(c) |
| Current Representation | 11.12(a) |
| De Minimis Amount | 10.2(b)(i) |
| Debt Commitment Letter | 4.6(a) |
| Debt Financing | 4.6(a) |
| Debt Financing Source Parties | 11.3(d) |
| Deductible | 10.2(b)(i) |
| Delayed Transfer | 7.2 |
| Designated Person | 11.12(a) |
| Distribution Center Leased Property | 3.12(b) |
| ECL Claims | 11.14 |
| Effective Time | 2.2 |

| | |
|---|---|
| Enforceability Exceptions | 3.3 |
| Equity Commitment Letter | 4.6(b) |
| Equity Financing | 4.6(b) |
| Equity Investor | 4.6(b) |
| Estimated Closing Statement | 2.8(a) |
| Excess Withholding | 2.12 |
| Excluded Listing Representations | 10.2(a) |
| FDA | 3.21(a) |
| Final Post-Closing Statement | 2.10(c) |
| Financing | 4.6(b) |
| Guarantor | Recitals |
| Guaranty | Recitals |
| Indemnified Party | 10.4(a) |
| Indemnifying Party | 10.4(a) |
| Independent Accounting Firm | 2.10(c) |
| Initial Post-Closing Statement | 2.9(a) |
| Interim Financial Statements | 3.5(a) |
| IT Systems | 3.16(c) |
| Legal Restraints | 8.1(b) |
| Lenders | 4.6(a) |
| Merger | Recitals |
| Merger Consideration | 2.4(a)(i) |
| Merger Sub | Preamble |
| Missouri LLC Act | 2.1 |
| Notice of Disagreement | 2.10(a) |
| Oracle Notice | 5.19 |
| Other Leased Real Property | 3.12(b) |
| Outside Date | 9.1(b)(i) |
| Parties | Preamble |
| Party | Preamble |
| Post-Closing Adjustment | 2.11 |
| Post-Closing Representation | 11.12(a) |
| Pre-Closing Restructuring | 5.12(a) |
| Purchase Price Allocation Schedule | 7.1(d) |
| Purchaser | Preamble |
| Purchaser Indemnified Parties | 10.2(a) |
| Purchaser Tax Indemnified Parties | 7.2 |
| Purchaser's Allocation Notice | 7.1(d) |
| Quarterly Financial Statements | 5.14(a)(i) |
| Regulatory Permits | 3.21(a) |
| Releasees | 5.13(a) |
| Resolution Period | 2.10(b) |
| Restricted Party | 5.15(b)(ii)(B) |
| Reverse Termination Fee | 9.4(a) |
| Safety Notices | 3.21(d) |
| Save-A-Lot | Preamble |
| Save-A-Lot Disclosure Schedules | Article III |

| | |
|---|---|
| Save-A-Lot Permits | 3.9 |
| Section 336(e) Election Statement | 7.1(b) |
| Section 336(e) Written Binding Agreement | 7.1(b) |
| Section 336(e)/Section 338(h)(10) Forms | 7.1(b) |
| Seller Indemnified Parties | 10.3(a) |
| Seller Tax Indemnified Parties | 7.3 |
| Separation Agreement | Recitals |
| Services Agreement | Recitals |
| Significant Licensee | 3.15(a)(iii) |
| Significant Licensee Contract | 3.15(a)(iii) |
| Solvent | 4.6(h) |
| Specified Supervalu RSU Awards | 6.9(e) |
| Specified Termination | 9.4(a) |
| Stub Year Financial Statements | 5.14(a)(ii) |
| Supervalu | Preamble |
| Supervalu Common Stock | 2.4(c) |
| Supervalu Equity Awards | 6.9(f) |
| Supervalu PSU Award | 6.9(f) |
| Supervalu Retirement-Eligible RSU Award | 6.9(d) |
| Supervalu Retirement-Eligible Stock Option | 6.9(b) |
| Supervalu RSU Award | 6.9(c) |
| Supervalu Stock Option | 6.9(a) |
| Supervalu's Draft Allocation | 7.1(d) |
| Surviving Entity | Recitals |
| Tax Election Notice Period | 7.1(b) |
| Third Party Claim | 10.4(a) |
| Transfer Taxes | 7.11 |
| Units | Recitals |
| USDA | 3.21(a) |
| Year-End Financial Statements | 5.14(a)(ii) |

## ARTICLE II

## THE MERGER

2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, in accordance with the Missouri Limited Liability Company Act (the "Missouri LLC Act"), at the Effective Time, Merger Sub shall merge with and into Save-A-Lot. Save-A-Lot shall be the Surviving Entity in the Merger and shall continue its corporate existence under the laws of the State of Missouri. Upon consummation of the Merger, the separate limited liability company existence of Merger Sub shall terminate.

2.2 Effective Time. The Merger shall become effective as set forth in the articles of merger to be filed with the Secretary of State of the State of Missouri (the "Articles of Merger"). The term "Effective Time" shall be the date and time when the Merger becomes effective, as set forth in the Articles of Merger.

2.3 Effects of the Merger. At and after the Effective Time, the Merger shall have the effects set forth in the applicable provisions of the Missouri LLC Act.

2.4 Conversion of Securities. At and after the Effective Time, by virtue of the Merger and without any action on the part of Save-A-Lot, Purchaser or the holder of any of the following securities:

(a) *Units*.

(i) Each Unit issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive an amount in cash equal to (A) the Purchase Price (as finally determined pursuant to Section 2.11) *divided by* (B) the number of Units issued and outstanding immediately prior to the Effective Time (the "Merger Consideration").

(ii) All of the Units converted into the right to receive the Merger Consideration pursuant to this Article II shall no longer be outstanding and shall automatically be cancelled and shall cease to exist as of the Effective Time, and each certificate (each, a "Certificate") previously representing any such Units shall thereafter represent only the right to receive the Merger Consideration and any dividends or distributions which the holder thereof has the right to receive pursuant to Section 2.7. Certificates previously representing Units shall be exchanged for the Merger Consideration upon the surrender of such Certificates in accordance with Section 2.7, without any interest thereon.

(iii) Notwithstanding anything in this Agreement to the contrary, at the Effective Time, all Units that are owned by Save-A-Lot, Merger Sub or Purchaser (in each case other than in a fiduciary or agency capacity or as a result of debts previously contracted) shall be cancelled and shall cease to exist and no Merger Consideration shall be delivered in exchange therefor, and such Units shall not be counted for purposes of clause (i)(B) of Section 2.4(a).

(b) *Merger Sub Shares.* Each share of common stock, par value $0.01, of Merger Sub outstanding immediately prior to the Effective Time shall be converted into one membership unit of the Surviving Entity.

(c) *Supervalu and Purchaser Shares.* At and after the Effective Time, each share of common stock, par value $0.01, of Purchaser and each share of common stock, par value $0.01, of Supervalu ("Supervalu Common Stock"), issued and outstanding immediately prior to the Effective Time, shall remain issued and outstanding and shall not be affected by the Merger.

2.5 Certificate of Formation of Surviving Entity. At the Effective Time, the Articles of Organization of Save-A-Lot, as in effect at the Effective Time, shall be the Articles of Organization of the Surviving Entity until thereafter amended in accordance with applicable law.

2.6 Managers and Officers of Surviving Entity. The members of the Board of Directors of Merger Sub immediately prior to the Effective Time shall constitute all of the initial members of the Board of Managers of the Surviving Entity and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal. The officers of Merger Sub immediately prior to the Effective Time shall constitute all of the initial officers of the Surviving Entity and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

2.7 Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place (i) at the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York 10019, at 10:00 a.m., New York time, on the first Business Day of the first Fiscal Period of Supervalu beginning at least three (3) Business Days after the date on which all of the conditions set forth in Article VIII (other than those conditions that by their nature are to be satisfied or waived on the Closing Date, but subject to the satisfaction or waiver of those conditions on the Closing Date) are satisfied or waived; provided, however, that if the Marketing Period has not ended at least three (3) Business Days prior to the date on which the Closing would otherwise occur, the Closing shall instead occur on the earlier to occur of (A) a date specified by Purchaser during the Marketing Period that is the first Business Day of the first Fiscal Period of Supervalu beginning at least three (3) Business Days after Purchaser provides notice of such date to Supervalu, (B) a date specified by Supervalu in a written notice delivered to Purchaser at least three (3) Business Days' prior to such specified date (such written notice to include written confirmation by Supervalu that Supervalu and Save-A-Lot have reasonably determined that they are able to provide the books and records on a timely basis necessary to permit the balance sheet and financial statements required by clauses (i), (ii) and (iii) of Section 5.14(a) to be prepared by the applicable deadlines set forth therein) that is (I) at least two (2) Business Days following the final day of the Marketing Period (as it may be extended pursuant to the definition of "Marketing Period") (irrespective of whether such day is the first Business Day of a Fiscal Period) and (II) (x) a Business Day during the period on or after December 19, 2016 until and including January 3, 2017 or (y) the first Business Day of any week after January 3, 2017 or (C) the first Business Day of the first Fiscal Period of Supervalu beginning at least two (2) Business Days immediately following the final day of the Marketing Period (as it may be extended pursuant to the definition of "Marketing Period"), subject, in each case, to the satisfaction or waiver of all of the conditions set forth in Article VIII as of the date determined pursuant to this proviso (other than those conditions that by their nature are to be satisfied or waived on the Closing Date, but subject to the satisfaction or waiver of those conditions at such time), or (ii) at such other place, time or date as may be mutually agreed upon in writing by Supervalu and Purchaser; provided that the Closing shall not occur earlier than December 5, 2016. The date on which the Closing occurs is the "Closing Date."

(b) At the Closing, Supervalu shall:

(i) deliver to Purchaser certificates evidencing the Units to the extent that such Units are in certificate form, duly endorsed in blank or with unit powers duly executed in proper form for transfer, and to the extent that such Units are not in certificate form, unit

powers or other instruments of transfer duly executed in blank, and in each case, with any required unit transfer stamps affixed thereto;

(ii) deliver to Purchaser the certificate required to be delivered pursuant to Section 8.2(c);

(iii) execute and deliver, or cause to be executed and delivered, as applicable, to Purchaser the Services Agreement;

(iv) deliver to Purchaser a duly executed certificate of non-foreign status, substantially in the form of the sample certification set forth in Treasury Regulation Section 1.1445-2(b)(2)(iv)(B), from Supervalu and each of the Section 336(e)/338(h)(10) Entities;

(v) deliver to Purchaser the resignation, effective as of the Closing, of those directors and officers of any Save-A-Lot Entity designated by Purchaser to Supervalu in writing at least five (5) Business Days prior to the anticipated Closing Date;

(vi) deliver to Purchaser one or more duly executed IRS Forms 8023 or such other forms and documents, in each case, required to be delivered pursuant to Section 7.1(c); and

(vii) cause Save-A-Lot to deliver to Purchaser a counterpart to the Articles of Merger executed by Save-A-Lot reflecting the terms and provisions of this Agreement and in proper form for filing with the Missouri Secretary of State in order to cause the Merger to become effective pursuant to the Missouri LLC Act.

(c) At the Closing, Purchaser shall:

(i) deliver to Supervalu (or to any Affiliate of Supervalu designated by Supervalu) by wire transfer, to an account or accounts designated prior to the Closing by Supervalu (or by such Affiliate), immediately available funds in cash in an aggregate amount equal to the Purchase Price (as estimated for purposes of the Closing pursuant to Section 2.8);

(ii) deliver to Supervalu the certificate required to be delivered pursuant to Section 8.3(c);

(iii) execute and deliver, or cause to be executed and delivered, to Supervalu, on behalf of Save-A-Lot, the Services Agreement;

(iv) deliver to Supervalu one or more duly executed IRS Forms 8023 or such other forms and documents, in each case, required to be delivered pursuant to Section 7.1(c);

(v) cause Merger Sub to deliver to Supervalu a counterpart to the Articles of Merger executed by Merger Sub reflecting the terms and provisions of this Agreement and

in proper form for filing with the Missouri Secretary of State in order to cause the Merger to become effective pursuant to the Missouri LLC Act; and

(vi) to the extent required by Missouri Law, cause Merger Sub to deliver to Supervalu a tax clearance certificate or its equivalent issued by the Missouri Department of Revenue as of a recent date.

2.8 Closing Adjustment.

(a) Not less than five (5) Business Days prior to the anticipated Closing Date, Supervalu shall provide Purchaser with a statement setting forth its good-faith estimates of Cash, Working Capital and Indebtedness as of the Closing (the "Estimated Closing Statement"), and such schedules with respect to the determination thereof as Supervalu believes is reasonably necessary to support such Estimated Closing Statement, which shall be accompanied by a notice (the "Closing Notice") that sets forth (i) Supervalu's determination of the Closing Adjustment and the Purchase Price after giving effect to the Closing Adjustment and (ii) the account or accounts to which Purchaser shall transfer the Purchase Price pursuant to Section 2.7.

(b) The Closing Notice shall specify an amount (the "Closing Adjustment"), positive or negative, that shall be equal to (i) the amount of Cash set forth in the Estimated Closing Statement, plus (ii) the amount of Working Capital set forth in the Estimated Closing Statement, less (iii) the Target Working Capital Amount, less (iv) the amount of Indebtedness set forth in the Estimated Closing Statement (it being understood that the amount of the Debt Financing will not be considered Indebtedness for purposes of the Closing Adjustment).

(c) The Estimated Closing Statement shall be prepared in accordance with the definitions of "Cash", "Working Capital" and "Indebtedness" (as applicable and without duplication) set forth herein based on the Accounting Standard, applied consistently with their application in connection with the preparation of the Audited Financial Statements.

2.9 Post-Closing Statements.

(a) Within sixty (60) days after the Closing Date, Supervalu shall prepare and deliver to Purchaser a statement of Cash, Working Capital and Indebtedness as of the Closing (the "Initial Post-Closing Statement"), together with such schedules with respect to the determination thereof as Supervalu believes is reasonably necessary to support such Initial Post-Closing Statement. The Initial Post-Closing Statement shall be prepared in accordance with the definitions of "Cash", "Working Capital" and "Indebtedness" (as applicable) set forth herein based on the Accounting Standard, applied consistently with their application in connection with the preparation of the Audited Financial Statements.

(b) Following the Closing through the date that the Final Post-Closing Statement becomes final and binding, Supervalu and their representatives shall be permitted, to the extent reasonably requested in connection with Supervalu's preparation of the Initial Post-Closing Statement and participation in the reconciliation procedures set forth in Section 2.10, to access the books, records and work papers (subject to entering into any customary access letters required by accountants) of the Save-A-Lot Entities, and Purchaser shall, and shall use its reasonable best efforts

to cause its accountants and other representatives to, cooperate with and assist Supervalu in connection therewith, including by providing reasonable access to such books, records and work papers and making available, during normal business hours, personnel to the extent reasonably required for purposes of Supervalu's preparation of the Initial Post-Closing Statement and participation in the reconciliation procedures set forth in Section 2.10.

(c) Purchaser agrees that, following the Closing through the date that the Final Post-Closing Statement becomes final and binding, it will not take or permit to be taken any actions with respect to any accounting books, records, policies or procedures on which the Business Financial Statements or the Initial Post-Closing Statement is based, or on which the Final Post-Closing Statement is to be based, that are inconsistent with the Accounting Standard or that would alter or materially impede or delay the determination of the amount of Working Capital or Indebtedness as of the Closing Date or the preparation of any Notice of Disagreement or the Final Post-Closing Statement in the manner and utilizing the methods provided by this Agreement.

2.10 Reconciliation of Post-Closing Statements.

(a) Purchaser shall notify Supervalu in writing no later than sixty (60) days after Purchaser's receipt of the Initial Post-Closing Statement if Purchaser disputes the correctness of the Initial Post-Closing Statement, which notice shall describe in reasonable detail the basis for such dispute (the "Notice of Disagreement"). If no Notice of Disagreement is delivered to Supervalu by Purchaser within sixty (60) days after Purchaser's receipt of the Initial Post-Closing Statement, then the Initial Post-Closing Statement shall be deemed to have been accepted by Purchaser and shall become final and binding upon the Parties in accordance with Section 2.10(c).

(b) During the thirty (30) days immediately following the delivery of a Notice of Disagreement (the "Resolution Period"), Supervalu and Purchaser shall seek in good faith to resolve any differences that they may have with respect to the matters specified in the Notice of Disagreement.

(c) If at the end of the Resolution Period, Supervalu and Purchaser have been unable to resolve any differences that they may have with respect to the matters specified in the Notice of Disagreement, Supervalu and Purchaser shall submit all matters that remain in dispute with respect to the Notice of Disagreement (along with a copy of the Initial Post-Closing Statement marked to indicate those line items that are in dispute, together with each Party's good faith value for such line item) to Baker Tilly Virchow Krause, LLP or, if such firm is unwilling or unable to fulfill such role, (i) another independent certified public accounting firm in the United States of national reputation mutually acceptable to Supervalu and Purchaser or (ii) if Supervalu or Purchaser are unable to agree upon another such a firm within ten (10) Business Days after the end of the Resolution Period, then within an additional ten (10) Business Days, Supervalu and Purchaser shall each select one such firm and those two firms shall, within ten (10) Business Days after their selection, select a third (3rd) such firm (Baker Tilly Virchow Krause, LLP, the firm selected in accordance with clause (i) or the third firm selected in accordance with (ii), as applicable, the "Independent Accounting Firm"). Within thirty (30) days after the Independent Accounting Firm's selection, the Independent Accounting Firm shall make a final determination, binding on the Parties to this Agreement, of the appropriate amount of each of the line items in the Initial Post-Closing Statement that remain in dispute as indicated in the Notice of Disagreement that Supervalu and

Purchaser have submitted to the Independent Accounting Firm. The Independent Accounting Firm shall have authority to resolve solely the matters submitted to it in the Notice of Disagreement (provided that the authority of the Independent Accounting Firm shall be limited to resolving accounting and calculation issues and shall not include procedural or legal issues) and shall determine the amount of the line items in dispute in accordance with this Agreement. With respect to each disputed line item, such determination, if not in accordance with the position of either Supervalu or Purchaser, shall not be in excess of the higher, or less than the lower, of the amounts advocated by Purchaser in the Notice of Disagreement or by Supervalu in the Initial Post-Closing Statement with respect to such disputed line item. The statement of Cash, Working Capital and Indebtedness that is final and binding on the Parties, as determined either through agreement of the Parties pursuant to Section 2.10(a) or Section 2.10(b) or through the action of the Independent Accounting Firm pursuant to this Section 2.10(c), is referred to as the "Final Post-Closing Statement."

(d) All fees and expenses relating to the work, if any, to be performed by the Independent Accounting Firm shall be borne equally by Supervalu, on the one hand, and Purchaser, on the other hand. During the review by the Independent Accounting Firm, Purchaser and Supervalu shall, and shall use reasonable best efforts to cause their respective accountants to, each make available to the Independent Accounting Firm interviews with such personnel, and such information, books and records and work papers, as may be reasonably required by the Independent Accounting Firm to fulfill its obligations under Section 2.10(c); provided, that the accountants of Supervalu or Purchaser shall not be obliged to make any work papers available to the Independent Accounting Firm except in accordance with such accountants' normal disclosure procedures and then only after such Independent Accounting Firm has signed a customary agreement relating to such access to work papers in form and substance reasonably acceptable to such accountants. In acting under this Agreement, the Independent Accounting Firm shall be entitled to the privileges and immunities of an arbitrator.

2.11 Post-Closing Adjustment. The "Post-Closing Adjustment" shall be an amount, positive or negative, equal to (a) an amount, positive or negative, equal to (i) the amount of Cash set forth in the Final Post-Closing Statement less (ii) the amount of Cash set forth in the Estimated Closing Statement, plus (b) an amount, positive or negative, equal to (i) the amount of Working Capital set forth in the Final Post-Closing Statement less (ii) the amount of Working Capital set forth in the Estimated Closing Statement, less (c) an amount, positive or negative, equal to (i) the amount of Indebtedness set forth in the Final Post-Closing Statement less (ii) the amount of Indebtedness set forth in the Estimated Closing Statement. If the Post-Closing Adjustment is a positive amount, then Purchaser shall pay to Supervalu (or one or more Affiliates designated by Supervalu) by wire transfer of immediately available funds in cash the amount of the Post-Closing Adjustment. If the Post-Closing Adjustment is a negative amount, then Supervalu (or an Affiliate designated by Supervalu) shall pay to Purchaser by wire transfer of immediately available funds in cash the absolute value of the amount of the Post-Closing Adjustment. Any such payment shall be made within five (5) Business Days after the Final Post-Closing Statement becomes such, together with interest thereon at the Interest Rate from the Closing Date until the date of payment.

2.12 Withholding. Notwithstanding anything else in this Agreement, the Parties shall be entitled to deduct and withhold from the amounts otherwise payable pursuant to this Agreement such

amounts as they are required to deduct and withhold pursuant to applicable Law (it being agreed and understood that if any deduction or withholding shall be made from any amounts otherwise payable pursuant to this Agreement by or on behalf of Purchaser, Save-A-Lot or Merger Sub to or on behalf of Supervalu and such deduction or withholding would not have been imposed if the Person making such deduction or withholding were a United States person as defined in Section 7701(a)(30) of the Code with tax presence only in the United States ("Excess Withholding"), then Purchaser shall pay Supervalu such additional amounts as shall result in Supervalu receiving the amount it would have received had no such Excess Withholding applied). To the extent that amounts are so deducted or withheld and are timely paid over to the appropriate Governmental Authority, such deducted or withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction or withholding was made.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES OF SUPERVALU

Except as set forth in, or qualified by any matter set forth in, (a) the reports, schedules, forms, statements and other documents filed by Supervalu with, or furnished by Supervalu to, after January 1, 2015, the SEC and publicly available at least five (5) Business Days prior to the date of this Agreement (other than disclosures in any exhibits or schedules thereto or in any documents incorporated by reference therein and other than any forward looking disclosures set forth in any risk factor section and any other disclosures included therein to the extent they are predictive or forward-looking in nature), to the extent the relevance of such disclosure to the Save-A-Lot Entities or the Business is reasonably apparent, (b) the Save-A-Lot Registration Statement, or (c) the disclosure schedules delivered to Purchaser prior to the execution of this Agreement (the "Save-A-Lot Disclosure Schedules"), Supervalu hereby represents and warrants to Purchaser as follows:

3.1 Organization and Qualification; Subsidiaries.

(a) Supervalu is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and Save-A-Lot is a limited liability company, duly organized, validly existing and in good standing under the Laws of the State of Missouri.

(b) Each of the Save-A-Lot Entities other than Save-A-Lot is a corporation or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. Supervalu and each Save-A-Lot Entity has all requisite corporate or other organizational power and authority to carry on its businesses as now being conducted and is qualified to do business and is in good standing as a foreign corporation or other legal entity in each jurisdiction where the conduct of its business requires such qualification, in each case except as has not and would not reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect.

3.2 Capitalization of the Save-A-Lot Entities.

(a) The Units are duly authorized and validly issued and owned by Supervalu, free and clear of all Liens, except for, prior to the Closing, Permitted Liens. Except for the Units and

any interest held by a Save-A-Lot Entity, there are no membership units, shares of capital stock or other equity interests or securities of any Save-A-Lot Entity authorized, reserved, issued or outstanding, and there are no preemptive or other outstanding rights, subscriptions, options, warrants, unit appreciation rights, redemption rights, repurchase rights, convertible, exercisable, or exchangeable securities or other instruments, agreements, arrangements or commitments of any character relating to the issued or unissued share capital or other ownership or equity interest in any of the Save-A-Lot Entities or any other securities or obligations convertible or exchangeable into or exercisable for, or giving any Person a right to subscribe for or acquire, any securities of any Save-A-Lot Entity, and no securities evidencing such rights are authorized, issued or outstanding, nor have any such equity interests been issued in violation of any preemptive rights, any purchase option or any rights of first refusal. None of the Save-A-Lot Entities has any outstanding bonds, debentures, notes, or other obligations or Contracts that provide the holders thereof or counterparty thereto (as applicable) the right to vote (or are convertible or exchangeable into or exercisable for securities having the right to vote) with the stockholders of such Save-A-Lot Entity on any matter. Section 3.2(a) of the Save-A-Lot Disclosure Schedules sets forth the percentages of outstanding equity securities of each Save-A-Lot Entity owned by any other Save-A-Lot Entity, free and clear of all Liens other than Permitted Liens.

(b) Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole: (i) all of the outstanding shares of capital stock of, or other equity interests in, each Save-A-Lot Entity have been duly authorized, validly issued, and are fully paid and non-assessable; (ii) except as set forth in Section 3.2(b)(ii) of the Save-A-Lot Disclosure Schedules, none of the Save-A-Lot Entities owns any shares of capital stock or other equity interests in any other Person or is obligated to purchase or acquire any such shares or other equity interests; and (iii) none of the outstanding shares of capital stock of, or other equity interests in, any Save-A-Lot Entity was issued in violation of any applicable Law.

3.3 Authority Relative to this Agreement. Supervalu, Save-A-Lot and each of their Affiliates that is party to the Services Agreement have all necessary corporate or similar power and authority, and each has taken all corporate or similar action necessary, to execute, deliver and perform this Agreement and the Services Agreement and to consummate the transactions contemplated by this Agreement and the Services Agreement in accordance with the terms hereof and thereof. This Agreement has been duly and validly executed and delivered by Supervalu and Save-A-Lot, and, assuming the due authorization, execution and delivery of this Agreement by Purchaser and Merger Sub, constitutes, and the Services Agreement when executed and delivered by Supervalu, Save-A-Lot and/or their Affiliates (as applicable) thereto, and, assuming the due authorization, execution and delivery of the Services Agreement by Purchaser or its applicable Affiliates, will constitute, a valid, legal and binding agreement of Supervalu, Save-A-Lot and/or their Affiliates (as applicable), enforceable against such member in accordance with its terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (the "Enforceability Exceptions").

3.4 Consents and Approvals; No Violations. No filing with or notice to, and no permit, authorization, registration, consent or approval of, any Governmental Authority is required on the part of Supervalu or its Affiliates (as applicable) for the execution, delivery and performance by Supervalu or its Affiliates (as applicable) of this Agreement or the Services Agreement or the consummation by Supervalu or its Affiliates (as applicable) of the transactions contemplated hereby or thereby, except (a) compliance with and filing under the HSR Act and such other consents, approvals, registrations, declarations, notices or filings as are required to be made or obtained under any non-U.S. Antitrust Laws; (b) compliance with any Permits relating to the Business listed on Section 3.4 of the Save-A-Lot Disclosure Schedules or (c) any such filings with or notices to, or permits, authorizations, registrations, consents or approvals of or from any other Governmental Authorities under any other Laws as may be required in connection with this Agreement, the Services Agreement or the consummation of the transactions contemplated hereby or thereby, the failure to make or obtain has not and would not reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect. Assuming compliance with the items described in clauses (a) through (c) of the preceding sentence, neither the execution, delivery and performance of this Agreement or the Services Agreement by Supervalu or its Affiliates (as applicable) nor the consummation by Supervalu or its Affiliates (as applicable) of the transactions contemplated hereby or thereby will (i) conflict with or result in any breach, violation or infringement of any provision of the respective certificate of incorporation or by-laws (or similar governing documents) of Supervalu, its Affiliates (as applicable) or any Save-A-Lot Entity, (ii) result in a breach, violation or infringement of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to the creation of any Lien, except for Permitted Liens, or any right of termination, amendment, loss of benefit, cancellation or acceleration) under, any of the terms, conditions or provisions of any Contract or Permit relating to the Business, or (iii) violate or infringe any Law applicable to any Save-A-Lot Entity or any of their respective properties or assets, except, in the case of clause (ii) or clause (iii), for breaches, violations, infringements or defaults, or the creation of any Lien (except for Permitted Liens), or any right of termination, amendment, loss of benefit, cancellation or acceleration, or other rights that has not and would not reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect.

3.5 Financial Statements; Liabilities.

(a) Section 3.5 of the Save-A-Lot Disclosure Schedules sets forth: (i) audited combined statements of earnings, cash flows and changes in parent company equity of the Business on a carveout basis for the years ended February 27, 2016, February 28, 2015 and February 22, 2014 and audited combined balance sheets of the Business as of February 27, 2016 and February 28, 2015; and (ii) unaudited combined statements of earnings and cash flows of the Business on a carveout basis, for each of the sixteen (16) weeks ended June 18, 2016 and June 20, 2015, unaudited combined statements of changes in parent company equity for the sixteen (16) weeks ended June 18, 2016, and unaudited combined balance sheets of the Business as of June 20, 2015 and June 18, 2016, (the items referred to in clause (i), with any notes thereto, being herein collectively referred to as the "Audited Financial Statements"; the items referred to in clause (ii), in each case with any notes thereto, being herein collectively referred to as the "Interim Financial Statements" and, together with the Audited Financial Statements, the "Business Financial Statements"). The Audited Financial Statements have been prepared in accordance with GAAP applied on a consistent basis (except as may be indicated in the notes thereto) and present fairly, in all material respects, the combined

financial position and the combined results of operations, cash flows and changes of equity of the Business on a carveout basis, as of the respective dates thereof or the periods then ended. The Interim Financial Statements have been prepared in accordance with GAAP applied on a consistent basis (except as may be indicated in the notes thereto) and present fairly, in all material respects, the combined financial position and the combined results of operations of the Business on a carveout basis, as of the respective date thereof or the period then ended, subject to normal and recurring year-end adjustments.

(b) There are no material liabilities or obligations of the Save-A-Lot Entities of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected or reserved for on a combined balance sheet of the Save-A-Lot Entities, other than those that (i) are reflected or reserved against on the Business Financial Statements or otherwise disclosed in this Agreement (including in the Save-A-Lot Disclosure Schedules); (ii) have been incurred in the ordinary course of business of the Save-A-Lot Entities, consistent with past practice, since February 27, 2016; (iii) are expressly permitted or contemplated by this Agreement; or (iv) will be discharged or paid off prior to or at the Closing.

3.6 Absence of Certain Changes or Events. Except as expressly contemplated by this Agreement or the Separation Agreement (including the reorganizations and transactions undertaken in preparation for the separation of Save-A-Lot from Supervalu or to facilitate the Merger, including as set forth in the Separation Agreement as part of the Pre-Closing Restructuring), since February 27, 2016 and as of the date hereof, (a) the Business has been operated in the ordinary course consistent with past practice, (b) there has not occurred any event, change, circumstance, development or effect that has had or would reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect, and (c) none of Supervalu, its Affiliates or the Save-A-Lot Entities has taken any action that, if taken after the date of this Agreement, would constitute a breach of the covenants set forth in clauses (A), (B), (F), (G) or (P) (with respect to each of the preceding clauses) of Section 5.4(b).

3.7 Litigation. (a) There is no Action pending or, to the Knowledge of Supervalu, threatened, against any Save-A-Lot Entity or against any member of the Supervalu Group arising out of or relating to the Business in each case except, if adversely determined, as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole, and (b) no Save-A-Lot Entity or any of their respective assets or properties is subject to any outstanding Order, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

3.8 Compliance with Laws. Excluding Environmental Laws and any Order issued by a Governmental Authority arising under Environmental Laws, which are the subject of Section 3.14, (a) none of the Save-A-Lot Entities or, solely with respect to the conduct of the Business (including with regard to the operation of the Core Real Property), Supervalu or its other Subsidiaries is, or since January 1, 2014 has been, in violation of any Laws or Order issued by a Governmental Authority applicable to the conduct of the Business and (b) neither Supervalu nor any of its Subsidiaries has, since January 1, 2014, (i) received any written notice alleging any such violation or (ii) conducted any internal investigation in connection with which outside legal counsel was retained for the purpose of conducting or assisting with such investigation with respect to any actual,

potential or alleged violation of the type described in the foregoing clause (a), in each case of clauses (a) and (b), except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. Notwithstanding the foregoing, the Save-A-Lot Entities during the past five (5) years have been in compliance with the Anticorruption and Sanctions Laws except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole, and have not been a party to or the subject of any pending or, to the Knowledge of Supervalu, threatened Action, by or before any Governmental Authority related to any violation or alleged violation of Anticorruption and Sanctions Laws.

3.9 Permits. Except with respect to Business Environmental Permits that are the subject of Section 3.14(b), the Save-A-Lot Entities hold all permits, licenses, variances, exemptions and other similar authorizations of all Governmental Authorities necessary for the conduct of the Business (the "Save-A-Lot Permits"), except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. The Save-A-Lot Entities are in compliance with the terms of Save-A-Lot Permits, each such Save-A-Lot Permit is valid and in full force and effect, and no Action is pending, or, to the Knowledge of Supervalu, threatened that would be reasonably expected to result in the revocation, cancellation or suspension of any such Save-A-Lot Permit, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

3.10 Employee Benefit Plans.

(a) Section 3.10(a) of the Save-A-Lot Disclosure Schedules sets forth a list, as of the date hereof, of each material Benefit Plan and separately identifies whether each such Benefit Plan will be a Save-A-Lot Benefit Plan or a Supervalu Benefit Plan as of the Closing. Supervalu has made available to Purchaser with respect to each material Benefit Plan, to the extent applicable, (i) the applicable plan document or agreement (or, with respect to any such unwritten Benefit Plan, a written description thereof), (ii) all summary plan descriptions, including any summary of material modifications, and (iii) for Save-A-Lot Benefit Plans, the most recent annual reports filed with the IRS, the most recent determination or opinion letter, if any, issued by the IRS and any pending request for such a determination letter, and the most recent actuarial report or other financial statement.

(b) Except as would not reasonably be expected to result, individually or in the aggregate, in material Liability to a Save-A-Lot Entity: (i) each Benefit Plan has been maintained and operated in compliance with applicable Law; (ii) all contributions or premiums required to be made by Supervalu or any of its Subsidiaries to any Benefit Plan have been timely made or accrued in accordance with GAAP; and (iii) no "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) has occurred with respect to any Benefit Plan.

(c) No Benefit Plan provides health insurance or life insurance to Business Employees beyond their retirement or other termination of service, other than as required by Section 4980B of the Code.

(d) Except as would not reasonably be expected to result, individually or in the aggregate, in material Liability to a Save-A-Lot Entity, each Benefit Plan that is intended to be a

qualified plan under Section 401(a) of the Code has either received a favorable determination letter from the IRS or may rely on a favorable opinion letter issued by the IRS, and nothing has occurred, whether by action or failure to act, that would reasonably be expected to cause the loss of such qualification.

(e) During the immediately preceding six (6) years, no Liability under Section 302 or Title IV of ERISA or Section 412 of the Code has been incurred by the Save-A-Lot Entities or their respective ERISA Affiliates that has not been satisfied in full, and no condition exists that presents any risk of the Save-A-Lot Entities or any such ERISA Affiliate of incurring such Liability.

(f) No Benefit Plan is a pension plan that is subject to Title IV of ERISA.

(g) Neither Supervalu nor any of its ERISA Affiliates contributes to or is required to contribute to a Multiemployer Plan in respect of any Business Employee.

(h) Except as expressly provided in this Agreement, none of the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) (i) entitle any Business Employee to any payment or benefit; (ii) increase the amount of any compensation or benefits otherwise payable to any Business Employee; or (iii) result in the acceleration of the time of payment, funding or vesting of any compensation or benefits.

(i) With respect to any Benefit Plan, except as would not reasonably be expected to result in material liability to a Save-A-Lot Entity, (i) no actions, suits or claims (other than routine claims for benefits in the ordinary course) are pending or, to the Knowledge of Supervalu, threatened; and (ii) no administrative investigation, audit or other administrative proceeding by the Department of Labor, the Pension Benefit Guaranty Corporation, the IRS or other Governmental Authorities are pending, or, to the Knowledge of Supervalu, threatened.

(j) The transactions contemplated by this Agreement will not result in any "excess parachute payments" (within the meaning of Section 280G of the Code) becoming payable to any employee, officer or director of Supervalu or any of its Affiliates who is a "disqualified individual" within the meaning of Section 280G of the Code.

(k) Except as would not reasonably be expected to result, individually or in the aggregate, in material Liability to a Save-A-Lot Entity, each Benefit Plan that is a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code has been documented and operated in compliance with Section 409A of the Code.

(l) No Benefit Plan provides compensation or benefits to any Business Employee who resides or performs services primarily outside of the United States.

3.11 Employees; Labor Matters.

(a) None of the Save-A-Lot Entities is a party to, or otherwise bound by, and no Business Employee is covered by, any collective bargaining agreement or other Contract with any labor organization, union or association.

(b) Except as would not reasonably be expected to result, individually or in the aggregate, in material Liability to a Save-A-Lot Entity, (i) there is no organizational effort currently being made or, to the Knowledge of Supervalu, threatened by, or on behalf of, any labor union to organize any Business Employees, and no such organizational effort has occurred since January 1, 2014; (ii) no demand for recognition of any Business Employees has been made by, or on behalf of, any labor union since January 1, 2014; (iii) since January 1, 2014, there have been no material strikes, slowdowns, picketings, work stoppages or lockouts against the Business and, to the Knowledge of Supervalu, none are currently threatened; and (iv) as of the date hereof, there are no pending unfair labor practice charges with respect to the Business Employees.

(c) The Save-A-Lot Entities are each, and, with respect to the Business Employees, Supervalu is, in compliance in all material respects with all applicable Laws with respect to employment, employment practices, terms and conditions of employment, wages and hours and unfair labor practices.

3.12 Real Property.

(a) Schedule 3.12(a) of the Save-A-Lot Disclosure Schedules sets forth a complete and accurate list of all of the real property any Save-A-Lot Entity owns as of the date hereof or would own after giving effect to the Pre-Closing Restructuring as of the date hereof (the "Business Owned Real Property"), including the address of such parcel, the name of the Save-A-Lot Entity that owns or will own such parcel and the primary use of such parcel as currently used in the Business. The Save-A-Lot Entities have or will have after giving effect to the Pre-Closing Restructuring good, insurable and valid fee simple title to all of the Business Owned Real Property, free and clear of all Liens, except Permitted Liens. Neither Supervalu nor its Subsidiaries has received written notice of any, and to the Knowledge of Supervalu, there is no, default under any restrictive covenants affecting the Business Owned Real Property except for such notices or defaults as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. To the Knowledge of Supervalu, there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default under any such restrictive covenants, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

(b) Schedule 3.12(b) of the Save-A-Lot Disclosure Schedules sets forth a complete and accurate list of all the real property that is as of the date hereof leased or subleased, as applicable, by any Save-A-Lot Entity or would be leased or subleased, as applicable, by any Save-A-Lot Entity after giving effect to the Pre-Closing Restructuring as of the date hereof, including each real property leased or subleased for use as a distribution center or material warehouse facility (the "Distribution Center Leased Real Property"). The Save-A-Lot Entities have or will have after giving effect to the Pre-Closing Restructuring good and valid leasehold or subleasehold (as applicable)

interest in the Distribution Center Leased Real Property and all other material real property leased or subleased, as applicable, by any Save-A-Lot Entity, in each case, as the lessee or sublessee, that is used in connection with the Business (the "Other Leased Real Property", and together with the Distribution Center Leased Real Property, the "Business Leased Real Property"), free and clear of all Liens, except Permitted Liens. All leases and subleases for the Business Leased Real Property under which any Save-A-Lot Entity is or will be after giving effect to the Pre-Closing Restructuring a lessee or sublessee are in full force and effect and are enforceable in accordance with their respective terms, subject to the Enforceability Exceptions, except as has not and would not reasonably be expected to, individually or in the aggregate, with respect to the Distribution Center Leased Real Property, be material to the Business and the Save-A-Lot Entities, taken as a whole, and with respect to the Other Leased Real Property, have a Business Material Adverse Effect. None of Supervalu or any of its Subsidiaries has received any written notice of any, and to the Knowledge of Supervalu there is no, breach or default under any such lease or sublease affecting the Business Leased Real Property, except as has not and would not reasonably be expected to, individually or in the aggregate, with respect to the Distribution Center Leased Real Property, be material to the Business and the Save-A-Lot Entities, taken as a whole, and with respect to the Other Leased Real Property, have a Business Material Adverse Effect. Neither Supervalu nor any of its Subsidiaries have received written notice of termination, cancellation or non-renewal with respect to any such lease or sublease affecting the Business Leased Real Property.

(c) There are no leases, subleases, licenses, concessions or other agreements granting to any party or parties the right of occupancy or a leasehold interest in any portion of the Business Owned Real Property or the Distribution Center Leased Real Property (collectively, the "Core Real Property"), except for such leases, subleases, licenses, concessions or other agreements as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. Since January 1, 2014 until the date hereof, none of Supervalu or any of its Subsidiaries has received any written notice from any Governmental Authority of any condemnation, expropriation or other proceeding in eminent domain pending or threatened, against any Core Real Property or any material portion thereof or material interest therein, and, to the Knowledge of Supervalu, no such pending or threatened proceedings exist, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. None of the Core Real Property is subject to or encumbered by any purchase option, right of first-refusal or other contractual right or obligation to sell, assign or dispose of such Core Real Property, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

3.13 Taxes. (a) All material Tax Returns required to be filed by, or with respect to, any Save-A-Lot Entity have been timely filed (taking into account extensions) and all such Tax Returns are true, correct and complete in all material respects; (b) all material Taxes required to be paid by or with respect to any Save-A-Lot Entity have been duly and timely paid or will be duly and timely paid by the due date thereof, other than, in the case of clause (a), this clause (b), and clause (d), Taxes, Tax Returns and deficiencies for which or with respect to which adequate reserves have been established on or reflected on the Business Financial Statements of the relevant Save-A-Lot Entities and Taxes, Tax Returns and deficiencies being defended in good faith through appropriate proceedings; (c) no material Tax Proceeding or assessment for a material deficiency with respect to

any Taxes of the Save-A-Lot Entities is pending or being threatened in writing; (d) each of the Save-A-Lot Entities has complied with all applicable Laws relating to the collection and withholding of Taxes in all material respects; (e) there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any material Taxes of or with respect to, or Tax Returns required to be filed by or with respect to, the Save-A-Lot Entities; (f) Section 3.13 of the Save-A-Lot Disclosure Schedules sets forth the entity classification for U.S. federal income tax purposes of each Save-A-Lot Entity, as of the date hereof and as of the Closing, and any applicable entity classification elections; (g) as of the date hereof, there are no Liens for material Taxes upon the Units or any of the assets of the Save-A-Lot Entities, other than Liens for Taxes not yet due and payable or Taxes that may be paid without penalty; (h) as of the Closing, (1) none of the Save-A-Lot Entities will be a party to any material Tax sharing, Tax allocation or Tax indemnification agreement, and (2) no Save-A-Lot Entity has any liability for material Taxes of another Person (except, with respect to clause (2), for liabilities under Treasury Regulation Section 1.1502-6 or analogous or similar provisions of state or local Law pertaining to an affiliated, combined, unitary or similar Tax group of which such Save-A-Lot Entity is currently a part, and except, with respect to clauses (1) and (2), for agreements, and liabilities pursuant to any agreement or arrangement, exclusively between or among the Save-A-Lot Entities or constituting or pursuant to any agreement the primary subject of which is not Taxes); (i) as of the date hereof, no unresolved material claim has been made in writing by any taxing authority in any jurisdiction where a Save-A-Lot Entity does not file a Tax Return stating that such entity (or its owner in the case of a disregarded entity) is subject to material taxation by that jurisdiction for Taxes that would be covered by or the subject of such Tax Return; and (j) none of the Save-A-Lot Entities has participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4. Notwithstanding any other provision of this Agreement, it is agreed and understood that no representation or warranty is made by Supervalu in this Agreement, the Separation Agreement or the Services Agreement in respect of Tax matters, other than the representations and warranties set forth in this Section 3.13 and Sections 3.5 and 3.17.

3.14 Environmental Matters.

(a) The Save-A-Lot Entities and the facilities and operations on the Business Owned Real Property and the Business Leased Real Property are, and since January 1, 2014 have been, in compliance with applicable Environmental Laws relating to the Business, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

(b) The Save-A-Lot Entities possess all material Business Environmental Permits required for the conduct of the Business as conducted on the date hereof, and each such material Business Environmental Permit is valid, subsisting and in full force and effect. No appeals or other proceedings are pending or, to the Knowledge of Supervalu, threatened with respect to the issuance, terms or conditions of any such material Business Environmental Permit. Since January 1, 2014, neither Supervalu nor any Subsidiary of Supervalu has received any unresolved written notice or other unresolved written communication from any Governmental Authority regarding any revocation, withdrawal, non-renewal, suspension, cancellation or termination of any such material Business Environmental Permit.

(c) Neither Supervalu nor any Subsidiary of Supervalu has received, since January 1, 2014, any written notice alleging any unresolved material violation of, or material liability arising under, any Environmental Law in relation to the Business Owned Real Property, Business Leased Real Property or operations of the Business.

(d) No Action is pending or, to the Knowledge of Supervalu, threatened that asserts any actual or potential liability arising under Environmental Laws relating to the Business, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

(e) To the Knowledge of Supervalu, no Environmental Condition exists on or at any of the Business Owned Real Property or Business Leased Real Property, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

(f) Notwithstanding any other provisions of this Agreement, Purchaser acknowledges and agrees that the representations and warranties contained in Section 3.4, Section 3.5, Section 3.6, and this Section 3.14 are the only representations and warranties given by Supervalu with respect to environmental matters, Environmental Conditions, Environmental Laws and Hazardous Materials, and no other provisions of this Agreement, the Separation Agreement or the Services Agreement shall be interpreted as containing any representation or warranty with respect thereto.

3.15 Material Contracts.

(a) Section 3.15(a) of the Save-A-Lot Disclosure Schedules sets forth as of the date of this Agreement a list, which is complete and accurate in all material respects, of the following Contracts (other than Benefit Plans, purchase orders and invoices) relating to the Business to which any of the Save-A-Lot Entities is a party or is bound (such Contracts, together with (i) purchase orders and invoices in respect of such Contracts, (ii) any Material Food Vendor Contracts and (iii) any Contracts, purchase orders and invoices in respect of such Material Food Vendor Contracts entered into after the date hereof and prior to the Closing that if entered into prior to the date hereof would have been required to be set forth in Section 3.15(a) of the Save-A-Lot Disclosure Schedules, the "Business Material Contracts"):

(i) Vendor Contracts material to the Business with vendors pursuant to which such vendor provides information technology, human resources or financial services to any Save-A-Lot Entity;

(ii) any customer, distribution and supply Contracts and Vendor Contracts, other than such Contracts (A) under which the Save-A-Lot Entities or the Business purchased or sold during the twelve (12)-month period immediately preceding February 27, 2016, or are obligated to purchase in any twelve (12)-month period thereafter, in the aggregate, $1,000,000 or less of goods and/or services, (B) that can be terminated on less than ninety (90) days' notice without material monetary penalty, (C) that are a Licensee Contract or (D) that are Vendor Contracts in respect of goods for resale;

(iii) any Licensee Contract with a licensee whose Save-A-Lot stores, individually or in the aggregate, have wholesale purchases from Save-A-Lot in excess of $20,000,000 during the fiscal year ended February 27, 2016 (any such licensee, a "Significant Licensee" and each such Licensee Contract, a "Significant Licensee Contract");

(iv) any Contract containing any future capital expenditure obligations of the Save-A-Lot Entities or the Business in excess of $2,000,000;

(v) any Contract relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) (A) entered into by a Save-A-Lot Entity since January 1, 2014 involving consideration in excess of $5,000,000 (other than any Contract solely in respect of store inventory, which Contract is unrelated to any acquisition of a store, its operations or similar transaction) or (B) under which the Save-A-Lot Entities have or will have a material obligation with respect to an "earn out," contingent purchase price or similar contingent payment obligation;

(vi) (A) any Contract material to the Business pursuant to which any of the Save-A-Lot Entities will license or is otherwise permitted by a third party to use any material Intellectual Property (other than any "shrink wrap," "commercially available software package" or "click through" license) with aggregate payments greater than $200,000 during the twelve (12)-month period immediately preceding February 27, 2016 or (B) any Contract material to the Business pursuant to which a third party licenses any material Intellectual Property owned by any of the Save-A-Lot Entities, in each case other than any Licensee Contract;

(vii) any Contract relating to or evidencing Indebtedness (of a type listed in clauses (a) through (f), or clause (m) with respect to a type listed in clauses (a) through (f), of the definition of Indebtedness) of the Save-A-Lot Entities in excess of $1,000,000 individually (other than such Indebtedness solely among Save-A-Lot Entities or that will be cancelled or otherwise eliminated pursuant to the Separation Agreement prior to the Closing);

(viii) any Contract containing any non-competition provision that by its terms currently limits in any material respect the ability of the Save-A-Lot Entities or, after the consummation of the Merger, purports to limit in any material respect Purchaser or any of its Affiliates (in their capacity as such), to engage in any line of business with any Person or in any geographic area, other than any geographic limitations on the Business contained in any Licensee Contract;

(ix) any material partnership agreement or joint venture agreement;

(x) any Contract that provides for any of the Save-A-Lot Entities to provide goods or services pursuant to a "most favored nation" provision or equivalent preferential pricing terms, except for such Contracts as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole;

(xi) without duplication of clauses (i) and (ii) above, all supply Contracts or Vendor Contracts with suppliers or vendors from which the Save-A-Lot Entities or the Business purchased during the twelve (12)-month period immediately preceding February 27, 2016, or are obligated to purchase in any twelve (12)-month period thereafter, in the aggregate, $20,000,000 or more of good and/or services; and

(xii) any supply Contract or Vendor Contract involving or relating to the joint purchase of goods for resale by or for the benefit of a Save-A-Lot Entity and a member of the Supervalu Group, other than any such Contract under which the Save-A-Lot Entities or the Business, together with the Supervalu Group, jointly purchased or sold during the twelve (12)-month period immediately preceding February 27, 2016, or are obligated to purchase in any twelve (12)-month period thereafter, in the aggregate, $1,000,000 or less of goods.

(b) Section 3.15(b) of the Save-A-Lot Disclosure Schedules sets forth as of the date of this Agreement a list, which is complete and accurate in all material respects, of each vendor in respect of which the Save-A-Lot Entities purchased more than $20,000,000 of goods for resale during the twelve (12)-month period immediately preceding February 27, 2016.

(c) Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole, (i) each Business Material Contract is a legal, valid and binding obligation of a Save-A-Lot Entity, as applicable, and, to the Knowledge of Supervalu, on each counterparty and is in full force and effect, in each case, subject to the Enforceability Exceptions, (ii) neither the Save-A-Lot Entities, nor to the Knowledge of Supervalu, any other party thereto, is in breach of, or in default under, any such Business Material Contract, (iii) no event has occurred that with notice or lapse of time or both would constitute such a breach or default of any Business Material Contract by the Save-A-Lot Entities, or, to the Knowledge of Supervalu, any other party thereto, and (iv) neither Supervalu nor any of its Subsidiaries have received written notice of termination, cancellation or non-renewal with respect to any Business Material Contract.

3.16 Intellectual Property.

(a) Section 3.16(a) of the Save-A-Lot Disclosure Schedules sets forth an accurate and complete list, including owner, jurisdiction, and serial and registration numbers, of all registrations of Intellectual Property and applications therefor, owned by the Save-A-Lot Entities that are material to the Business as conducted as of the date of this Agreement (the "Business Intellectual Property").

(b) Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole, (i) the Save-A-Lot Entities are the sole owners of the Business Intellectual Property, free and clear of all Liens except for Permitted Liens; (ii) no Save-A-Lot Entity has infringed, misappropriated or otherwise violated the Intellectual Property rights of any third party since January 1, 2014 and no Save-A-Lot Entity has received any written notice since January 1, 2014 that the conduct of the Business has infringed, misappropriated or otherwise violated the Intellectual Property rights of any third party; (iii) there are no pending or, to the Knowledge of Supervalu, any threatened Actions alleging that the operation of the Business infringes, misappropriates or otherwise violates the Intellectual Property rights of

any third party; and (iv) to the Knowledge of Supervalu, no third party is currently infringing, misappropriating or otherwise violating the Business Intellectual Property that is material to the Business as conducted as of the date of this Agreement. To the Knowledge of Supervalu, the registered Business Intellectual Property is valid and enforceable, or to the extent such items are applications, are pending without challenge (other than office actions and other proceedings that may be pending before the United States Patent and Trademark Office or its foreign equivalents). Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole, (i) in each case where any registered material Business Intellectual Property or application for registration of material Business Intellectual Property is held by assignment, the assignment has been duly recorded with the Governmental Authority from which such Business Intellectual Property was issued, was otherwise registered or before which any application therefor is pending, (ii) there exist no material restrictions on the disclosure, use, license or transfer of any item of Business Intellectual Property, and (iii) no current or former employee of Supervalu or its Subsidiaries that was involved in the creation or development of any Software, Technology or Business Intellectual Property on behalf of a Save-A-Lot Entity has a valid claim to ownership of, or future remuneration with respect to, such Software, Technology or Business Intellectual Property.

(c) The Save-A-Lot Entities have taken commercially reasonable steps to protect the material information technology systems currently used in the conduct of the Business (the "IT Systems") from Contaminants. The Save-A-Lot Entities have in place commercially reasonable disaster recovery plans, procedures and facilities for the IT Systems and have taken commercially reasonable steps to safeguard the security of the IT Systems. To the Knowledge of Supervalu, there have been no unauthorized intrusions or breaches of the security of the IT Systems since January 1, 2014 that, pursuant to any legal requirement, would require Supervalu or a Save-A-Lot Entity to notify customers or employees of such breach or intrusion and that was or would reasonably be expected to, individually or in the aggregate, be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

3.17 Intercompany Arrangements. Except for any Contracts to be terminated pursuant to the Separation Agreement and other than any Contracts to provide the services that are to be provided in accordance with the Services Agreement, Section 3.17 of the Save-A-Lot Disclosure Schedules sets forth a list, which is correct and complete in all material respects as of the date hereof, of all material Contracts solely between or among any Save-A-Lot Entity, on the one hand, and any member of the Supervalu Group, on the other hand.

3.18 Privacy and Data Protection. Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole, (a) the Save-A-Lot Entities have adopted or are subject to, and are, and since January 1, 2014, have been, in compliance with, commercially reasonable policies and procedures that apply to Supervalu and each of the Save-A-Lot Entities with respect to privacy, data protection, security and the collection, storage, disposal and use of Personal Information gathered or accessed in the course of the operations of the Business, (b) to the Knowledge of Supervalu, since January 1, 2014 there has been no unauthorized access or use of any Personal Information maintained, collected, stored, disposed of or processed by or on behalf of the Save-A-Lot Entities, (c) the Save-A-Lot Entities, and each of their privacy policies, are, and in since January 1, 2014, have been, in compliance with all

Data Protection Programs and all contractual commitments that they have entered into with respect to Personal Information, and (d) since January 1, 2014, there has been no written allegation against the Save-A-Lot Entities of loss, theft, unauthorized disclosure of, or unauthorized access to, any Personal Information held by or on behalf of the Save-A-Lot Entities.

3.19 Sufficiency of Assets. At the Closing, the Save-A-Lot Entities will, taking into account the Separation Agreement, the Services Agreement and all of the assets, real property and services to be provided, acquired, leased or licensed under this Agreement, the Separation Agreement and the Services Agreement, and the terms thereof, and assuming any consents set forth in Section 3.4 of the Save-A-Lot Disclosure Schedules are received, have ownership of (free and clear of all Liens (other than Permitted Liens)) or other valid rights to use, the assets, real property and services sufficient to conduct in all material respects the Business as conducted as of the date of this Agreement; provided that this Section 3.19 does not apply with respect to Permits, which are the subject of Sections 3.9 and 3.14.

3.20 Brokers. Except for Barclays Capital Inc. and Greenhill & Co., LLC, whose fees with respect to the transactions contemplated by this Agreement will be borne solely by Supervalu, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from Supervalu or any of the Save-A-Lot Entities in connection with the transactions contemplated by this Agreement and the Services Agreement.

3.21 Regulatory Matters.

(a) The Save-A-Lot Entities hold, and are operating in compliance with, such permits, licenses, franchises, approvals, authorizations, certifications and clearances of the United States Food and Drug Administration ("FDA"), the United States Department of Agriculture ("USDA") or other Governmental Authority required for the conduct of the Business as currently conducted (collectively, the "Regulatory Permits"), except where the failure to hold or operate in compliance with the Regulatory Permits would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. Since January 1, 2014, the Save-A-Lot Entities have fulfilled and performed all of their material obligations with respect to the Regulatory Permits, and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any Regulatory Permit, except where the failure to so fulfill or perform, or the occurrence of such event, would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole. Since January 1, 2014, the Save-A-Lot Entities have operated and currently are in compliance with applicable statutes and implementing regulations administered or enforced by the FDA or the USDA, except where the failure to so comply has not had and would not reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect. The Save-A-Lot Entities have not received written notice since January 1, 2014 of any pending or threatened claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from the FDA, USDA, or other Governmental Authority alleging that any operation or activity of the Business is in violation of any applicable Laws, except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect.

(b) All applications, notifications, submissions, information, claims, reports and statistics, and other data and conclusions derived therefrom, utilized as the basis for or submitted in connection with any and all requests for a Regulatory Permit by the Save-A-Lot Entities from the FDA, USDA or other Governmental Authority relating to the Business and its products were true, complete and correct as of the date of submission, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

(c) The Business has not had since January 1, 2014 any product or distribution site subject to a Governmental Authority (including FDA and USDA) shutdown, nor received any FDA Form 483 or other Governmental Authority notice of inspectional observations or warning letters to make changes to the Business products, composition, labeling or packaging, that if not complied with has resulted or would reasonably be expected to result in a Business Material Adverse Effect.

(d) Section 3.21(d) of the Save-A-Lot Disclosure Schedule sets forth a complete and accurate list of all recalls, field notifications, field corrections, market withdrawals or replacements, product warnings, safety alerts and other notices of action relating to an alleged lack of safety or regulatory compliance ("Safety Notices") since January 1, 2014 with respect to any product manufactured by or, to the Knowledge of Supervalu, on behalf of, the Business pursuant to Business specifications, except for those that have not had and would not reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect. To Supervalu's Knowledge, as of the date hereof there are no product complaints with respect to any product manufactured by or on behalf of the Business pursuant to the Business specifications that would be reasonably likely to result in (A) a Safety Notice, or (B) a termination or suspension of manufacturing or marketing of any the Business products, in each case, except as has not had and would not, individually or in the aggregate, reasonably be expected to have a Business Material Adverse Effect.

3.22 Licensee Contracts.

(a) Section 3.22(a) of the Save-A-Lot Disclosure Schedules contains a complete and correct list of all Save-A-Lot stores operated under Significant Licensee Contracts, including the name of the licensee and store location. True and correct copies of all Significant Licensee Contracts in effect as of the date of this Agreement have been made available to Purchaser. To the actual knowledge of any Person listed in Section 1.1(a) of the Save-A-Lot Disclosure Schedules, as of the date hereof, no licensee under any Licensee Contract is insolvent, the subject of a pending case under any Law regarding bankruptcy, insolvency or receivership, or has in the past seven (7) years made an assignment for the benefit of its creditors.

(b) Except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole, neither the Save-A-Lot Entities nor, to the Knowledge of Supervalu, any licensee is in default under any Significant Licensee Contract. In the twelve (12) months prior to the date of this Agreement, (i) no licensee under a Significant Licensee Contract has given written notice to Save-A-Lot or Supervalu of its intention to assign, transfer, rescind or terminate any Significant Licensee Contract or to close any

store operating under any such Significant Licensee Contract and (ii) neither Supervalu or any of the Save-A-Lot Entities has given written notice of its intention to terminate any Licensee Contract.

(c) Since January 1, 2012, neither the Save-A-Lot Entities nor Supervalu has (i) received any written notice from any Governmental Authority or from any licensee under a Licensee Contract with respect to any alleged violation of any Franchise Law or (ii) been a party to any Action brought by a Governmental Authority alleging a violation of any Franchise Law, in each case except as would not, individually or in the aggregate, reasonably be expected to be material to the Business and the Save-A-Lot Entities, taken as a whole.

3.23 Separation Agreement. As of the date of this Agreement, the Separation Agreement is a valid, binding obligation of Supervalu, Save-A-Lot and their respective Subsidiaries, and enforceable in accordance with its terms, and is in full force and effect, and, as of the date hereof, no event has occurred that, with or without notice, lapse of time, or both, would reasonably be expected to constitute a default or breach on the part of Supervalu under the terms and conditions of the Separation Agreement. As of the date hereof, the Separation Agreement has not been amended, restated or otherwise modified or waived on or prior to the date of this Agreement.

3.24 No Other Representations or Warranties. Except for the representations and warranties contained in Article IV or in the certificate delivered pursuant to Section 8.3(c), Supervalu acknowledges that none of Purchaser or any other Person or entity on behalf of Purchaser has made, and Supervalu has not relied upon, any representation or warranty, whether express or implied, including with respect to Purchaser, its Subsidiaries or their respective businesses, affairs, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects) or with respect to the accuracy or completeness of any other information provided or made available to Supervalu by or on behalf of Purchaser.

## ARTICLE IV

## REPRESENTATIONS AND WARRANTIES OF PURCHASER AND MERGER SUB

Purchaser and Merger Sub hereby jointly and severally represent and warrant to Supervalu as follows:

4.1 Organization and Qualification; Subsidiaries. Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization. Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization. Each of Purchaser and Merger Sub has all requisite corporate or other organizational power and authority to carry on its businesses as now being conducted and is qualified to do business and is in good standing as a foreign corporation or other legal entity in each jurisdiction where the conduct of its business requires such qualification, in each case except as would not reasonably be expected to have a Purchaser Material Adverse Effect.

4.2 Authority Relative to this Agreement. Each of Purchaser and Merger Sub has all necessary corporate or similar power and authority, and has taken all corporate or similar action necessary, to execute, deliver and perform this Agreement and the Services Agreement to which it is a party and to consummate the transactions contemplated by this Agreement and the Services Agreement in accordance with the terms hereof and thereof. No vote or other approval of the stockholders or other equityholders of Purchaser is required in connection with the execution, delivery or performance of this Agreement and the Services Agreement or to consummate the transactions contemplated by this Agreement and the Services Agreement in accordance with the terms hereof and thereof, whether by reason of applicable Law, the organizational documents of Purchaser, the rules or requirements of any securities exchange, or otherwise. This Agreement has been duly and validly executed and delivered by each of Purchaser and Merger Sub, and, assuming the due authorization, execution and delivery of this Agreement by Supervalu and Save-A-Lot, will constitute, and the Services Agreement when executed and delivered by each of Purchaser and Merger Sub or their applicable Affiliates, and, assuming the due authorization, execution and delivery of the Services Agreement by Supervalu, Save-A-Lot and/or their Affiliates, as applicable, will constitute, a valid, legal and binding agreement of each of Purchaser and Merger Sub and/or their applicable Affiliates, enforceable against Purchaser, Merger Sub and/or such Affiliates in accordance with its terms, subject to the Enforceability Exceptions.

4.3 Consents and Approvals; No Violations. No filing with or notice to, and no permit, authorization, registration, consent or approval of, any Governmental Authority is required on the part of Purchaser, Merger Sub or any of their Affiliates for the execution, delivery and performance by Purchaser and/or its Affiliates, as applicable, of this Agreement or the Services Agreement or the consummation by Purchaser, Merger Sub and/or their Affiliates, as applicable, of the transactions contemplated hereby or thereby, except (a) compliance with and filing under the HSR Act and such other consents, approvals, registrations, declarations, notices or filings as are required to be made or obtained under any non-U.S. Antitrust Laws; (b) compliance with any Permits relating to the Business; (c) any such filings with or notices to, or permits, authorizations, registrations, consents or approvals of or from any other Governmental Authorities under any other Laws as may be required in connection with this Agreement, the Services Agreement or the consummation of the transactions contemplated hereby or thereby, the failure to make or obtain would not reasonably be expected to have a Purchaser Material Adverse Effect. Assuming compliance with the items described in clauses (a) through (c) of the preceding sentence, neither the execution, delivery and performance of this Agreement or the Services Agreement by Purchaser, Merger Sub and/or their Affiliates, as applicable, nor the consummation by Purchaser, Merger Sub and/or its Affiliates, as applicable, of the transactions contemplated hereby or thereby will (i) conflict with or result in any breach, violation or infringement of any provision of the respective articles of incorporation or by-laws (or similar governing documents) of Purchaser, Merger Sub or their Affiliates, (ii) result in a breach, violation or infringement of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to the creation of any Lien, except for Permitted Liens, or any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any Contract to which Purchaser, Merger Sub or any of their Affiliates or any of their respective properties or assets are bound, or (iii) violate or infringe any Law applicable to Purchaser , Merger Sub or any of their Affiliates or any of their respective properties or assets, except, in the case of clause (ii) or clause (iii), as would not reasonably be expected to have a Purchaser Material Adverse Effect.

4.4 Litigation. As of the date of this Agreement, (a) there is no Action pending or, to the Knowledge of Purchaser, threatened, against Purchaser, Merger Sub or any Affiliate thereof, and (b) none of Purchaser, Merger Sub or any Affiliate thereof is subject to any outstanding Order, in each case except as would not reasonably be expected to have a Purchaser Material Adverse Effect.

4.5 Brokers. Except for Citigroup Global Markets Inc., whose fees with respect to the transactions contemplated by this Agreement will be borne solely by Purchaser, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from Purchaser, Merger Sub or any of their Affiliates in connection with the transactions contemplated by this Agreement and the Services Agreement.

4.6 Financing.

(a) Purchaser and Merger Sub have received and accepted an executed and binding commitment letter dated October 16, 2016, as may be amended, modified or replaced in accordance with Section 5.11(a) hereof (the "Debt Commitment Letter") from Citigroup Global Market Inc., Credit Suisse AG, Credit Suisse Securiites (USA) LLC, Barclays Bank PLC, Deutsche Bank AG New York Branch and Deutsche Bank Securities Inc. (as such parties may be supplemented or amended in accordance with Section 5.11(a) hereof, collectively, the "Lenders"), relating to the commitment of the Lenders to provide, subject only to the terms and conditions thereof, the full amount of the debt financing stated therein (the "Debt Financing").

(b) Purchaser and Merger Sub have received and accepted an executed and binding commitment letter dated October 16, 2016 (the "Equity Commitment Letter" and, together with the Debt Commitment Letter, the "Commitment Letters") from Onex Partners IV, L.P. (the "Equity Investor"), relating to the commitment of the Equity Investor, subject only to the terms and conditions thereof, to invest in Purchaser the full amount of the cash equity financing stated therein (the "Equity Financing" and, together with the Debt Financing, the "Financing"). Purchaser has delivered to Supervalu true, complete and correct copies of the executed Commitment Letters and any fee letters related thereto (in the case of any such fee letters only, redacted for provisions related to fees and other economic terms, none of which could materially and adversely affect the conditionality, enforceability, availability, termination or aggregate principal amount of the Financing).

(c) Except as set forth in the Commitment Letters, there are no conditions precedent to the obligations of the Lenders and the Equity Investor to provide the Financing or any contingencies that would permit the Lenders or the Equity Investor to reduce the total amount of the Financing. Other than (i) any fee letter related to the Debt Commitment Letter and (ii) as expressly set forth in or expressly contemplated by the Commitment Letters, there are no side letters or other agreements, contracts or arrangements relating to the funding or investing, as applicable, of the full amount of the Financing.

(d) Assuming the Financing is funded in accordance with the Commitment Letters, Purchaser will, and will cause Merger Sub to, have cash proceeds on the Closing Date in an amount sufficient to pay the Purchase Price, to pay all related fees and expenses required to be paid by Purchaser and Merger Sub in connection with the transactions contemplated by this Agreement

and the Services Agreement and to satisfy all of the other payment obligations of Purchaser and Merger Sub contemplated hereunder.

(e) As of the date hereof, assuming the satisfaction in full of the conditions set forth in Sections 8.1 and 8.2, neither Purchaser nor Merger Sub has reason to believe that it will be unable to satisfy on a timely basis any term or condition of the Financing contained in the Commitment Letters.

(f) As of the date of this Agreement, the Commitment Letters are valid, binding obligations of Purchaser and Merger Sub and, to the Knowledge of Purchaser, the other parties thereto, and enforceable in accordance with their respective terms, and are in full force and effect, and, assuming the accuracy of the representations and warranties set forth in Article III such that the condition set forth in Section 8.2(a) would be satisfied, as of the date hereof, no event has occurred that, with or without notice, lapse of time, or both, would reasonably be expected to constitute a default or breach on the part of Purchaser or Merger Sub under the terms and conditions of the Commitment Letters. As of the date hereof, no Commitment Letter has been amended, restated or otherwise modified or waived on or prior to the date of this Agreement and no such amendment, modification or restatement is contemplated, and the respective commitments contained in the Commitment Letters have not been withdrawn, modified or rescinded on or prior to the date of this Agreement. Purchaser and Merger Sub have paid in full (or caused to be paid) any and all commitment fees or other fees or expenses required to be paid pursuant to the terms of the Commitment Letters on or before the date of this Agreement.

(g) In no event shall the receipt or availability of any funds or financing (including the Financing) by Purchaser, Merger Sub or any of their Affiliates or any other financing or other transactions be a condition to any of Purchaser's or Merger Sub's obligations hereunder.

(h) Assuming the satisfaction of the conditions to Purchaser's and Merger Sub's obligation to consummate the Merger and the accuracy of the representations and warranties set forth in Article III and the certificate delivered pursuant to Section 8.2(c), and immediately after giving effect to the consummation of the transactions contemplated by this Agreement, the Separation Agreement and the Services Agreement, Purchaser and its Subsidiaries (including Merger Sub and, after Closing, the Save-A-Lot Entities), on a consolidated basis, will be Solvent. For purposes of this Section 4.6(h), "Solvent" means, with respect to any Person, that:

(i) the fair saleable value (determined on a going concern basis) of the assets of such Person shall be greater than the total amount of such Person's liabilities (including all liabilities, whether or not reflected in a balance sheet prepared in accordance with GAAP, and whether direct or indirect, fixed or contingent, secured or unsecured, disputed or undisputed);

(ii) such Person shall be able to pay its debts and obligations in the ordinary course of business as they become due; and

(iii) such Person shall have adequate capital to carry on its businesses and all businesses in which it is about to engage.

(i) Concurrently with the execution of this Agreement, Purchaser has delivered to Supervalu a true, complete and correct copy of the executed Guaranty. As of the date of this Agreement, the Guaranty is valid, binding and enforceable in accordance with its terms, and is in full force and effect, and no event has occurred as of the date hereof that, with or without notice, lapse of time, or both, would reasonably be expected to constitute a default or breach or a failure to satisfy a condition precedent on the part of the Guarantor under the terms and conditions of the Guaranty.

4.7 Merger Sub. Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby. Purchaser has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

4.8 Knowledge Regarding Representations; Satisfaction of Conditions; Independent Investigation. Purchaser has conducted its own independent investigation, review and analysis of the business, operations, assets, liabilities, results of operations, financial condition, technology, management and prospects of the Save-A-Lot Entities and the Business, which investigation, review and analysis was done by Purchaser and its respective representatives. In entering into this Agreement, Purchaser acknowledges that except as expressly provided herein or the Services Agreement, it has relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of any of Supervalu, the Save-A-Lot Entities, their respective Affiliates or any of their respective representatives (except the representations and warranties of Supervalu expressly set forth in Article III or in the Services Agreement or in the certificate delivered pursuant to Section 8.2(c)). Purchaser hereby acknowledges that, except with respect to any claim involving Losses resulting from Fraud, none of Supervalu, the Save-A-Lot Entities, their respective Affiliates or any of their respective representatives or any other Person will have or be subject to any liability to Purchaser, its Affiliates or any of their respective representatives or shareholders or any other Person resulting from the distribution to Purchaser, its Affiliates or their respective representatives of, or Purchaser's, its Affiliates' or their respective representatives' use of, any information relating to Supervalu, the Save-A-Lot Entities or the Business, including any information, documents or material made available to Purchaser, its Affiliates or their respective representatives, whether orally or in writing, in any data room, any management presentations (formal or informal), functional "break-out" discussions, responses to questions submitted on behalf of Purchaser or its Affiliates or in any other form in connection with the transactions contemplated by this Agreement, in each case excluding, for the avoidance of doubt, any liability resulting from any claim made pursuant to this Agreement or the Services Agreement. Purchaser further acknowledges that no representative of Supervalu, the Save-A-Lot Entities or their respective Affiliates has any authority, express or implied, to make any representations, warranties or agreements not specifically set forth in this Agreement or the Services Agreement or in any certificate delivered hereunder and subject to the limited remedies herein provided. Purchaser acknowledges that, subject to the representations and warranties of Supervalu specifically contained in Article III or the Services Agreement or in the certificate delivered pursuant to Section 8.2(c) and the covenants and agreements contained in this Agreement and the Services Agreement, should the Closing occur, Purchaser shall acquire the Save-A-Lot Entities and the Business without any representation or warranty as to merchantability or fitness thereof for any particular purpose, in an "as is" condition and on a "where is" basis, except as otherwise expressly set forth in this Agreement.

4.9 No Other Representations or Warranties. Except for the representations and warranties contained in Article III or the Services Agreement or in the certificate delivered pursuant to Section 8.2(c), Purchaser acknowledges that none of Supervalu or any other Person or entity on behalf of Supervalu has made, and Purchaser has not relied upon, any representation or warranty, whether express or implied, including with respect to Supervalu, the Save-A-Lot Entities, the Business or their respective businesses, affairs, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects) or with respect to the accuracy or completeness of any other information provided or made available to Purchaser by or on behalf of Supervalu. Purchaser acknowledges and agrees, subject to and except as expressly set forth in the representations and warranties contained in Article III, the Services Agreement or in the certificate delivered pursuant to Section 8.2(c), that none of Supervalu or any other Person or entity on behalf of Supervalu has made or makes any representation or warranty with respect to any projections, forecasts, estimates or budgets made available to Purchaser of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of any of Supervalu, the Save-A-Lot Entities or the Business, whether or not included in any management presentation.

## ARTICLE V

## ADDITIONAL AGREEMENTS

5.1 Access to Books and Records.

(a) After the date of this Agreement until the Closing, and subject to the requirements of applicable Laws, Supervalu shall (I) afford to representatives of Purchaser and the Debt Financing Source Parties, reasonable access, upon reasonable request and notice, to the employees, facilities, representatives, books and records of the Save-A-Lot Entities during normal business hours consistent with applicable Law and in accordance with the reasonable procedures established by Supervalu and (II) furnish promptly to Purchaser all information in its possession or control concerning the Business or the Save-A-Lot Entities and their respective properties and personnel as may reasonably be requested by Purchaser; provided, however, (i) none of Supervalu or the Save-A-Lot Entities shall be required to violate any obligation of confidentiality to which Supervalu or any Save-A-Lot Entity may be subject in discharging their obligations pursuant to this Section 5.1(a) and (ii) prior to the Closing Date, Purchaser shall not conduct any sampling of soil, sediment, surface water, ground water or building material at, on, under or within any store, facility or warehouse on the Business Owned Real Property or the Business Leased Real Property; provided, however, that in the event the restrictions of the foregoing clause (i) apply, Supervalu shall provide Purchaser with a reasonable description of the information not provided and Supervalu shall cooperate in good faith to design and implement alternative disclosure arrangements to enable to evaluate any such information, in each case without resulting in any such violation.

(b) Purchaser agrees that any permitted investigation undertaken by Purchaser pursuant to the access granted under Section 5.1(a) shall be conducted in such a manner as not to interfere unreasonably with the operation of the Business or any other business of Supervalu and its Subsidiaries. Purchaser and its representatives (in their capacities as such) shall not communicate with any of the non-management employees of Supervalu and its Affiliates regarding this Agreement

or the transactions contemplated hereby without the prior written consent of Supervalu, which shall not be unreasonably withheld, conditioned or delayed; provided that this sentence does not otherwise restrict Supervalu's obligations under this Section 5.1. Notwithstanding anything to the contrary in this Agreement, neither Supervalu nor any Save-A-Lot Entity nor any of their respective Affiliates shall be required to provide access to or disclose information pursuant to Section 5.1(a) where, upon the advice of counsel, such access or disclosure would jeopardize the attorney-client privilege of such Person or contravene any Laws or obligation of confidentiality; provided that Supervalu shall provide Purchaser with a reasonable description of the information not provided and the Parties hereto shall reasonably cooperate in seeking to establish an alternative acceptable to the disclosing Party to allow disclosure of such information, in each case without jeopardizing the attorney-client privilege of such Party.

(c) At and after the Closing, (i) Purchaser shall, and shall cause its Affiliates to, afford Supervalu and its representatives, during normal business hours, upon reasonable notice, reasonable access to the books, records, properties and employees of each Save-A-Lot Entity (with respect to such books and records, as existing on the Closing Date) to the extent that such access may be reasonably requested by Supervalu, including in connection with financial statements, litigation (including in connection with the matters covered under Section 5.8, but excluding disputes between any Purchaser Indemnified Parties and Seller Indemnified Parties) and SEC or other Governmental Authority reporting obligations, and (ii) Supervalu shall, and shall cause its Subsidiaries to, afford Purchaser and its Subsidiaries and their respective representatives, during normal business hours, upon reasonable notice, reasonable access to the books, records and employees of each of Supervalu and its Subsidiaries (with respect to such books and records, as existing on the Closing Date) to the extent related to the Business or the Save-A-Lot Entities and their respective Subsidiaries and reasonably requested by Purchaser, including in connection with financial statements, litigation (including in connection with the matters covered under Section 5.8, but excluding disputes between any Purchaser Indemnified Parties and Seller Indemnified Parties) and SEC or other Governmental Authority reporting obligations; provided that nothing in this Agreement shall limit any of Purchaser's or Supervalu's rights of discovery; provided, further, that the limitations provided in Section 5.1(a)(i) and the third sentence of Section 5.1(b) shall apply *mutatis mutandis* to any access provided to Purchaser or its Subsidiaries or the Supervalu Group or any of their respective representatives pursuant to this Section 5.1(c). The requesting Party shall promptly reimburse the other Party for such Party's reasonable out-of-pocket expenses associated with requests made by the requesting Party under this Section 5.1(c), but no other charges shall be payable by either Party in connection with such requests.

(d) Except for Tax Returns and other documents governed by Section 7.7(b), Purchaser agrees to hold all the books and records of each Save-A-Lot Entity existing on the Closing Date and not to destroy or dispose of any thereof for a period of ten (10) years from the Closing Date or such longer time as may be required by Law, and thereafter, if it desires to destroy or dispose of such books and records, to offer first in writing at least sixty (60) days prior to such destruction or disposition to surrender them to Supervalu.

5.2 Confidentiality.

(a) The Parties expressly agree that, notwithstanding the terms of the Confidentiality Agreement with respect to termination thereof, the terms of the Confidentiality Agreement are incorporated into this Agreement by reference and shall continue in full force and effect until the Closing; provided, however, that Purchaser's confidentiality obligations shall terminate upon the Closing only in respect of the Confidential Information (as defined in the Confidentiality Agreement) to the extent relating to the Business or the Save-A-Lot Entities. The Parties expressly agree that, notwithstanding the terms of the Confidentiality Agreement with respect to termination thereof, if, for any reason, the sale of the Units is not consummated, the Confidentiality Agreement shall continue in full force and effect for a period of fifteen (15) months following termination of this Agreement and otherwise in accordance with its terms. The Confidentiality Agreement is hereby amended to include in the definition of "Representatives" contained therein all existing or prospective equity investors, co-investors and debt financing sources of Purchaser and their respective Affiliates and their respective agents, advisors and representatives. The execution of this Agreement shall constitute written consent by Supervalu pursuant to the Confidentiality Agreement to all actions by Purchaser and its Representatives (as defined in the Confidentiality Agreement as amended hereby) expressly contemplated by this Agreement. Onex Partners Manager LP is an express, intended third party beneficiary of this Section 5.2(a).

(b) For a period of three (3) years following the Closing and, in the case of information provided to Supervalu pursuant to Section 5.1(c), for a period of three (3) years following Supervalu's receipt of such information, Supervalu shall, and Supervalu shall cause its Affiliates and its and their respective directors, officers, employees, investment bankers, financial advisors, attorneys, accountants or other advisors, agents or representatives to, treat as confidential any and all non-public information, knowledge and data about the Business or the Save-A-Lot Entities and safeguard such information, knowledge and data by using the same degree of care, but no less than a reasonable standard of care, to prevent the unauthorized dissemination or disclosure of such information, knowledge and data as Supervalu used with respect thereto prior to the execution of this Agreement. Notwithstanding the foregoing, Supervalu or its Affiliates may disclose such information, knowledge and data (A) to the extent permitted under the Services Agreement, (B) to the extent required by Law, in any report, statement, testimony or other submission to any Governmental Authority having jurisdiction over Supervalu or its Affiliates, as applicable, or (C) in order to comply with any Law applicable to Supervalu or its Affiliates, as applicable, or in response to any request or requirement in the course of any litigation, investigation or administrative proceeding; provided, further, that, Supervalu shall provide Purchaser with prompt prior written notice of such requirement or request so that Purchaser and its Affiliates may seek a protective order or similar remedy to cause such not to be disclosed.

5.3 Required Actions.

(a) Prior to Closing, each Party shall use its reasonable best efforts (i) to prepare and file all forms, registrations and notices required to be filed to consummate the Merger, (ii) to promptly seek to obtain (and cooperate with each other in obtaining) any consent, clearance, expiration or termination of a waiting period, authorization, Order or approval of, or any exemption by, any Governmental Authority (which actions shall include furnishing all information required under the HSR Act or any other Antitrust Laws) required to be obtained or made by Purchaser, Supervalu or any of their respective Affiliates in connection with the Merger, and (iii) to execute and deliver any additional instruments necessary to consummate the Merger and to fully carry out the purposes of this Agreement. Additionally, each Party shall use its reasonable best efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things necessary, proper or advisable under any applicable Laws to fulfill all conditions precedent to this Agreement and to not knowingly take any action after the date of this Agreement that would reasonably be expected to delay the obtaining of, or result in not obtaining, any permission, clearance, approval or consent from any such Governmental Authority necessary to be obtained at or prior to the Closing.

(b) Prior to the Closing, Purchaser and Supervalu shall each keep the others reasonably apprised of the status of matters relating to the completion of the Merger and work cooperatively in connection with obtaining all required consents, clearances, expirations or terminations of waiting periods, authorizations, Orders or approvals of, or any exemptions by, any Governmental Authority in connection with the Merger. In that regard, prior to the Closing, subject to the Confidentiality Agreement and Section 5.2, each Party shall promptly consult with the other Party to this Agreement to provide any necessary information with respect to (and, in the case of correspondence, provide the other Party (or its counsel) copies of) all filings made by such Party with any Governmental Authority or any other information supplied by such Party to, or correspondence with, a Governmental Authority in connection with this Agreement and the Merger. Prior to the Closing and subject to the Confidentiality Agreement and Section 5.2, (i) each Party to this Agreement shall promptly inform the other Party to this Agreement, and if in writing, furnish the other Party with copies of (or, in the case of oral communications, advise the other Party orally of) any communication from any Governmental Authority regarding the Merger, and permit the other Party to review and discuss in advance, and consider in good faith the views of the other Party in connection with, any proposed written or oral communication or submission with any such Governmental Authority; (ii) if any Party to this Agreement or any representative of such Party receives a request for additional information or documentary material from any Governmental Authority with respect to the Merger, then such Party will make, or cause to be made, promptly and after consultation with the other Party to this Agreement, an appropriate response in compliance with such request; (iii) neither Party shall participate in any meeting with any Governmental Authority in connection with this Agreement or the Merger (or make oral submissions at meetings or in telephone or other conversations) unless it consults with the other Party in advance and, to the extent not prohibited by such Governmental Authority, gives the other Party the opportunity to attend and participate thereat; and (iv) each Party shall furnish the other Party with copies of all correspondence, filings, submissions and communications (and memoranda setting forth the substance thereof) between it and any such Governmental Authority with respect to this Agreement and the Merger, and furnish the other Party with such necessary information and reasonable assistance as the other Party may reasonably request in connection with its preparation of necessary

filings or submissions of information to any such Governmental Authority. Purchaser and Supervalu may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other Party under Section 5.1 as "outside counsel/corporate in-house antitrust counsel only." Such designated materials and any materials provided by Purchaser to Supervalu or by Supervalu to Purchaser pursuant to this Section 5.3, and the information contained therein, shall be given only to the outside legal counsel and corporate in-house antitrust counsel of the recipient and shall not be disclosed by such outside counsel and corporate in-house antitrust counsel to employees (other than corporate in-house antitrust counsel), officers or directors of the recipient unless express permission is obtained in advance from the source of the materials (Purchaser or Supervalu, as the case may be) or its legal counsel; it being understood that materials provided pursuant to this Section 5.3(b) may be redacted (i) to remove references concerning the valuation of the Business, (ii) as necessary to comply with contractual arrangements, (iii) as necessary to address reasonable legal privilege concerns and (iv) to remove references to any information not related to the Business.

(c) Purchaser and Supervalu shall file, as promptly as practicable, but in any event no later than ten (10) Business Days after the date of this Agreement, notifications under the HSR Act, and in each case, shall request early termination of the waiting period, and Purchaser and Supervalu shall file, as promptly as practicable, any other filings and/or notifications under applicable Antitrust Laws, but in any event, any initial draft notifications of any other filings shall be submitted no later than fifteen (15) Business Days after the date of this Agreement. In the event that the Parties receive a request for additional information or documentary materials after an initial notification pursuant to the HSR Act or any other Antitrust Laws, the Parties shall use their respective best efforts to certify compliance with such requests, as applicable, as promptly as possible and produce documents on a rolling basis, and counsel for both Parties will closely cooperate during the entirety of any such investigatory or review process.

(d) Without limiting the generality of Purchaser's undertaking pursuant to Section 5.3(a), Purchaser agrees to use its reasonable best efforts to take all actions necessary to avoid or eliminate each and every impediment under any Antitrust Laws so as to enable the Closing to occur at such time as Purchaser is otherwise required to effect the Closing (and in any event no later than the Outside Date), including (i) proposing, negotiating, committing to and effecting, by consent decree, hold separate Order, or otherwise, the sale, divestiture or disposition of any businesses, product lines or assets of the Save-A-Lot Entities, Purchaser, and their respective Subsidiaries, and (ii) otherwise taking or committing to take actions that after the Closing Date would limit Purchaser's or its Affiliates' freedom of action with respect to, or its or their ability to retain, any businesses, product lines or assets of the Save-A-Lot Entities, Purchaser, and their respective Subsidiaries. In that regard Purchaser shall agree to divest, sell, dispose of, hold separate, or otherwise take or commit to take any action that limits its freedom of action with respect to, or Purchaser's, Supervalu's, Save-A-Lot's or their respective Subsidiaries' ability to retain, any of the businesses, product lines or assets of the Save-A-Lot Entities or Purchaser. All such efforts by Purchaser shall be unconditional, and no actions taken pursuant to this Section 5.3(d) shall be considered for purposes of determining whether a Business Material Adverse Effect has occurred. Notwithstanding anything herein to the contrary, Supervalu shall not be obligated to take or agree or commit to take any action (A) that is not conditioned on the Closing or (B) that relates to any

business, operations, assets, liabilities, product lines or legal entity not to be transferred pursuant to and in accordance with the terms and conditions of this Agreement.

(e) Whether or not the Merger is consummated, Purchaser shall be responsible for all fees and payments (including filing fees and legal, economist and other professional fees) to any third party or any Governmental Authority in order to obtain any consents, approvals or waivers pursuant to this Section 5.3, other than the fees of and payments to Supervalu's legal and professional advisors.

5.4 Conduct of Business.

(a) From the date of this Agreement through the earlier of the Closing or the termination of this Agreement, except (i) as otherwise expressly contemplated by this Agreement, the Separation Agreement or the Services Agreement (including any actions, elections or transactions undertaken as part of the Pre-Closing Restructuring), (ii) as required by Law, (iii) as disclosed in Section 5.4 of the Save-A-Lot Disclosure Schedules or (iv) as otherwise consented to in writing by Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), Supervalu and Save-A-Lot shall (A) cause the Save-A-Lot Entities to conduct the Business in all material respects in the ordinary course of business consistent with past practice and (B) use commercially reasonable efforts to (1) preserve intact in all material respects the Business and (2) maintain its relationships with, and the goodwill of, its key employees and material licensees, suppliers and others having material relationships with the Business.

(b) From the date of this Agreement through the earlier of the Closing or the termination of this Agreement, except (i) as otherwise expressly contemplated by this Agreement, the Separation Agreement or the Services Agreement (including any actions, elections or transactions undertaken as part of the Pre-Closing Restructuring), (ii) as required by Law, (iii) as disclosed in Section 5.4 of the Save-A-Lot Disclosure Schedules or (iv) as otherwise consented to by Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), Supervalu and Save-A-Lot shall cause the Save-A-Lot Entities not to:

(A) (1) amend or change its organizational documents in any manner or (2) declare, set aside or pay any dividend or distribution to any Person other than a Save-A-Lot Entity (except as may facilitate the elimination of intercompany accounts contemplated by the Separation Agreement), except that each Save-A-Lot Entity shall be permitted to declare and pay cash dividends or make cash distributions or other cash transfers to Supervalu or any of its Affiliates prior to the Closing (provided that such dividends or distributions are paid in accordance with applicable Law);

(B) other than to a Save-A-Lot Entity, issue, sell, pledge or dispose of, or agree to issue, sell, pledge or dispose of, any additional shares of, or any options, warrants or rights of any kind to acquire any shares of their equity interests, membership units or capital stock of any class or any debt or equity securities which are convertible into or exchangeable for such equity interests, capital stock or membership units;

(C) except for transactions among the Save-A-Lot Entities, (1) incur in excess of $25,000,000 of indebtedness for borrowed money outstanding at any time (without taking into account any incurrence of Indebtedness after the date hereof under existing revolving credit facilities or asset backed lending facilities of the Save-A-Lot Entities), other than such indebtedness between one or more Save-A-Lot Entities, on the one hand, and one or more members of the Supervalu Group, on the other hand, that will be eliminated at or prior to the Closing pursuant to the Separation Agreement, (2) make any acquisition of any assets or businesses for consideration in excess of $1,000,000, other than acquisitions of equipment and inventory in the ordinary course of business consistent with past practice and acquisitions of businesses or assets already contracted by Supervalu or any Save-A-Lot Entity described in Section 5.4(b)(iv)(C)(2) of the Save-A-Lot Disclosure Schedules or (3) sell, lease, pledge, dispose of or encumber any assets or businesses for consideration in excess of $1,000,000 other than sales of product and inventory in the ordinary course of business consistent with past practice and sales or dispositions of businesses or assets already contracted by Supervalu or any Save-A-Lot Entity described in Section 5.4(b)(iv)(C)(3) of the Save-A-Lot Disclosure Schedules;

(D) except (1) as may be required by applicable Law, any Supervalu Benefit Plan or Save-A-Lot Benefit Plan or any collective bargaining Contract in effect as of the date hereof, or (2) in connection with any action that applies consistently in all material respects to Business Employees and other similarly situated employees of the Supervalu Group (provided that any change or increase to the base salaries, target incentive compensation or severance or termination pay of Business Employees made in reliance on this subclause (2) shall not be required to be taken into account by Purchaser to comply with its obligations under Section 6.1), grant to any Business Employee any increase in compensation or benefits (other than increases made in the ordinary course of business consistent with past practice for non-executive employees that do not exceed 2% in the aggregate for all Business Employees), including any right to or increase in severance or termination pay, or adopt, enter into or materially amend any Save-A-Lot Benefit Plan;

(E) (1) hire, promote, demote, or terminate the employment of any officer of the Business (other than terminations for cause (as such term may be defined in an applicable employment agreement or severance plan)), (2) assign or transfer the employment of any Business Employee out of the Business or (3) except with respect to new hire employees in the ordinary course of business consistent with past practice, take any action to cause any employee who is not considered a Business Employee on the date of this Agreement to transfer employment to Purchaser or its Affiliates (including the Save-A-Lot Entities) in connection with the transactions contemplated by this Agreement;

(F) make any material change to its methods of financial accounting, except as required by a change in GAAP (or any interpretation thereof) or in applicable Law;

(G) dissolve, merge or consolidate with any other Person (except with respect to entities that are dormant as of the date hereof);

(H) other than in the ordinary course of business consistent with past practice, (1) materially amend or modify, voluntarily terminate (other than in accordance with its terms), fail to renew in accordance with its terms or cancel any Business Material Contract or Contract for the lease or sublease of any Distribution Center Leased Real Property or (2) enter into any Contract that if in effect on the date hereof would be a Business Material Contract (other than any Licensee Contract and any Contract relating to or evidencing indebtedness for borrowed money that is permitted under Section 5.4(b)(C)); provided, nothing in this Section 5.4(b)(H) shall limit Save-A-Lot's right to terminate Licensee Contracts, Vendor Contracts or Contracts with suppliers pursuant to the terms of such Contracts in the ordinary course of business;

(I) except in the ordinary course of business consistent with past practice, sell, pledge, dispose of, encumber, abandon or permit to lapse, or enter into any exclusive license in respect of (other than to any other Save-A-Lot Entity) any of the material Business Intellectual Property or Save-A-Lot Names;

(J) compromise or settle any Action resulting in an obligation of a Save-A-Lot Entity to pay more than $3,000,000 individually or $5,000,000 in the aggregate, in respect of all other compromises or settlements, or any non-monetary obligations in respect of such compromise or settlement;

(K) enter into, amend or extend any collective bargaining or other labor agreements;

(L) make any loans or advances to or investments in any Person (other than another Save-A-Lot Entity) in excess of $2,000,000 in the aggregate, other than (1) advances made as required by the terms in effect on the date hereof in any Licensee Contract, (2) as required by the terms in effect on the date hereof in any existing Vendor Contract or Contract with a supplier or (3) advances to licensees in connection with opening a new Save-A-Lot store in the ordinary course of business consistent with past practice;

(M) except, in each case, with respect to any Combined Tax Return, make any new, or change any existing, material election with respect to Taxes, settle any material Tax liability or file a material amended Tax Return, in each case to the extent doing so would reasonably be expected to have a material adverse impact on Purchaser and its Affiliates after the Closing for a Post-Closing Tax Period (it being agreed and understood that, notwithstanding any other provision, none of clauses (A) through (L) nor (N) through (P) (other than clause (P) insofar as it relates to this clause (M)) of this Section 5.4(b) shall apply to Tax compliance matters);

(N) open a number of corporate stores that exceeds by more than ten percent (10%) the planned corporate store openings set forth in Section 5.4(b)(iv)(M) of the Save-A-Lot Disclosure Schedules (it being understood that the conversion of a licensee store to a corporate store does not constitute a new store opening);

(O) except as set forth in the capital expenditure budget of the Save-A-Lot Entities made available to Purchaser prior to the date hereof, commit or authorize any commitment to make any capital expenditures in excess of $5,000,000 in the aggregate; or

(P) agree or commit to do or take any action described in this Section 5.4(b).

(c) Purchaser covenants and agrees that, from the date of this Agreement through the earlier of the Closing or the termination of this Agreement, except (x) as otherwise expressly contemplated by this Agreement, (y) as required by Law, or (z) as otherwise consented to by Supervalu (which consent shall not be unreasonably withheld, conditioned or delayed), Purchaser shall not do any of the following:

(i) acquire or agree to acquire, by merger, consolidation, stock or asset purchase or otherwise, any business or corporation, partnership or other business organization or division thereof, or dissolve, merge or consolidate with any other Person, if such transaction would reasonably be expected to prevent or materially delay or materially impede the consummation of the transactions contemplated by this Agreement; or

(ii) agree or commit to do or take any action described in this Section 5.4(c).

(d) Nothing contained in this Agreement shall give Purchaser, directly or indirectly, the right to control or direct Supervalu's or any of its Affiliates' (including the Save-A-Lot Entities') businesses or operations. Nothing contained in this Agreement shall give Supervalu, directly or indirectly, the right to control or direct Purchaser's or any of its Affiliates' businesses or operations.

5.5 Consents. Purchaser and Supervalu shall, and prior to the Closing Supervalu shall cause the Save-A-Lot Entities to reasonably cooperate with each other to obtain any consents required from third parties in connection with the consummation of the transactions contemplated by this Agreement in a manner consistent with the obligations of Supervalu and Save-A-Lot under the Separation Agreement. If the obligations in this Section 5.5 and the Separation Agreement relating to such third-party consents have been fulfilled, Supervalu shall have no liability for failure to obtain any consents. For the avoidance of doubt, (a) the failure to obtain any consents shall in no event constitute a failure of any condition to the Closing and (b) nothing in this Section 5.5 limits or qualifies the representations and warranties set forth in Article III or their application in Section 8.2(a).

5.6 Public Announcements. No Party to this Agreement nor any Affiliate or representative of such Party shall issue or cause the publication of any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by Law or stock exchange rules, in which case the Party required to publish such press release or public announcement shall use

reasonable efforts to provide the other Party a reasonable opportunity to comment on such press release or public announcement in advance of such publication.

5.7 Insurance. From and after the Closing, the Save-A-Lot Entities shall cease to be insured by Supervalu or their respective Affiliates' current and historical insurance policies or programs or by any of their current and historical self-insured programs, and neither Purchaser, the Save-A-Lot Entities nor their respective Affiliates shall have any access, right, title or interest to or in any such insurance policies, programs or self-insured programs (including to all claims and rights to make claims and all rights to proceeds) to cover any assets of the Save-A-Lot Entities or any Liability arising from the operation of the Business, in each case except as specifically set forth in the Separation Agreement. Supervalu or any of their respective Affiliates may, to be effective at or after the Closing, amend any insurance policies and ancillary arrangements in the manner it deems appropriate to give effect to this Section 5.7. From and after the Closing, Purchaser shall be responsible for securing all insurance it considers appropriate for its operation of the Save-A-Lot Entities and the Business.

5.8 Litigation Support. In the event and for so long as Supervalu or any of its Subsidiaries is prosecuting, contesting or defending any Action, investigation, charge, claim, or demand by a third party in connection with the transactions contemplated under this Agreement, Purchaser shall, and shall cause its Subsidiaries and Affiliates (and its and their officers and employees) to, reasonably cooperate with Supervalu and their counsel in such prosecution, contest or defense, including making available its personnel, and provide such testimony and access to their books and records as shall be reasonably necessary in connection with such prosecution, contest or defense, in each case upon prior notice and during normal business hours and to the extent such cooperation does not interfere unreasonably with the operation of the Business.

5.9 Payments.

(a) Supervalu shall promptly pay or deliver or cause to be paid or delivered to Purchaser any funds that have been sent to a member of the Supervalu Group after the Closing Date that, consistent with the terms and conditions of this Agreement and the Separation Agreement, are the property of Purchaser or its Subsidiaries (including the Save-A-Lot Entities), net of any Taxes imposed on the receiving entity or its Affiliates with respect to such funds.

(b) Purchaser shall promptly pay or deliver or cause to be paid or delivered to Supervalu any funds that have been sent after the Closing Date to Purchaser or any of its Subsidiaries (including the Save-A-Lot Entities) that, consistent with the terms and conditions of this Agreement and the Separation Agreement, are the property of Supervalu or its Subsidiaries, net of any Taxes imposed on the receiving entity or its Affiliates with respect to such funds.

5.10 Use of Marks.

(a) Except as expressly provided in the immediately succeeding paragraph, neither Purchaser nor any of its Affiliates shall use, or have the right to use, any Supervalu Names, or any name, trademark, service mark or logo that, in the reasonable judgment of Supervalu, is confusingly similar to any of the Supervalu Names. Within twenty (20) Business Days of Closing, Purchaser shall cause each of the Save-A-Lot Entities having a name, trademark, service mark or logo that include any of the Supervalu Names, to change such name, trademark, service mark or logo to one that does not include any Supervalu Name or similar name, including making any legal filings necessary to effect such change. Notwithstanding the foregoing, Purchaser and its Affiliates, and the Save-A-Lot Entities shall have the right to use any Save-A-Lot Names.

(b) The Save-A-Lot Entities may continue temporarily to use the Supervalu Names following the Closing so long as Purchaser shall, and shall cause its Affiliates, including the Save-A-Lot Entities, to, (i) immediately after the Closing, cease to hold itself out as having any affiliation with Supervalu or any of its Affiliates and (ii) use commercially reasonable efforts to minimize and eliminate use of the Supervalu Names by its Affiliates, including the Save-A-Lot Entities. In any event, as soon as practicable after the Closing Date (and in any event within ninety (90) days thereafter) Purchaser shall and shall cause each of its Affiliates (including the Save-A-Lot Entities) to (i) cease and discontinue use of all Supervalu Names and (ii) complete the removal or obliteration of the Supervalu Names from all products, signage, vehicles, properties, technical information, stationery and promotional or other marketing materials and other assets (other than those used for internal purposes only in connection with the Business). Notwithstanding anything to the contrary in this Agreement, following the Closing, Purchaser and its Affiliates may continue to report in textual sentences in a factually accurate manner on the Business's website, securities filings and other materials that the Business was acquired from Supervalu. Notwithstanding anything to the contrary in this Agreement, neither Purchaser nor any of its Affiliates shall be deemed to have violated this Section 5.10, even after the ninety (90) day period provided above, by reason of: (A) their use of equipment and other similar articles used in the Business as of the Closing, notwithstanding that they may bear one or more of the Supervalu Names (provided that it is not reasonably practicable to remove or cover the Supervalu Names); (ii) the appearance of the Supervalu Names on any manuals, work sheets, operating procedures, other written or electronic data, materials or assets (including computer source code) that are used for internal purposes only in connection with the Business; (iii) the appearance of the Supervalu Names in or on any third party's publications, marketing materials, brochures or instruction sheets that were distributed prior to the Closing and that are not used by Purchaser and its Affiliates after such ninety (90) day period; or (iv) the use by Purchaser and its Affiliates of any Supervalu Names in a non-trademark manner in textual sentences that is factually accurate and non-prominent for purposes of conveying to customers or the general public that the Business is no longer affiliated with Supervalu or to reference historical details concerning or make historical reference to the Business.

5.11 Financing.

(a) Purchaser and Merger Sub shall use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to obtain and consummate the Financing (or, in the event any portion or all of the Debt Financing becomes

unavailable, alternative debt financing (in an amount sufficient, together with the remaining Financing, if any, and any other sources available to Purchaser and Merger Sub, to fund the payment of the Purchase Price and satisfy any other payment obligations of Purchaser and Merger Sub contemplated hereunder) from the same or other sources (such portion from sources other than any source providing the Financing contemplated by the Debt Commitment Letters as of the date hereof, the "Alternate Financing")) including using its reasonable best efforts to (i) maintain in effect the Commitment Letters, (ii) negotiate and enter into definitive agreements with respect to the Financing on terms and conditions (including, if necessary, the flex provisions) contained therein (or on terms that, taken as a whole, are no less favorable to Purchaser and Merger Sub than those contained in the Debt Commitment Letters (including, if necessary, the flex provisions) and that would not adversely affect (including with respect to timing, taking into account the expected timing of the Marketing Period) the ability of Purchaser and Merger Sub to consummate the Merger), subject to any amendments or modifications thereto permitted by the penultimate sentence of this Section 5.11(a), (iii) satisfy (or obtain a waiver of) on a timely basis or cause the satisfaction (or waiver) on a timely basis of all conditions applicable to Purchaser contained in the Commitment Letters or any definitive agreements related to the Financing, including the payment of any fees, (iv) comply with its obligations under the Commitment Letters and any definitive agreements related to the Financing, and (v) subject to the satisfaction of the conditions set forth in Article 8, consummate, and cause each of the Lenders and the Equity Investor, as applicable, to fund, the Financing at or prior to the Closing. Purchaser shall keep Supervalu informed on a reasonable basis and in reasonable detail of the status of its efforts to arrange the Financing. Purchaser shall give Supervalu prompt written notice upon becoming aware of, or receiving written notice with respect to, any breach of or default under, or any event or circumstance that (with or without notice, lapse of time or both) could reasonably be expected to affect the timely availability of, or the amount of, the Financing. Notwithstanding anything in this Agreement to the contrary, Purchaser and Merger Sub expressly acknowledge and agree that neither the availability nor terms of the Financing or any Alternate Financing are conditions to the obligations of Purchaser and Merger Sub to consummate the Merger, and Purchaser and Merger Sub reaffirm their obligation to consummate the Merger and the other transactions contemplated by this Agreement subject only to the express conditions set forth in Article VIII, irrespective and independent of the availability or terms of the Financing or any Alternate Financing, Purchaser's and Merger Sub's use of efforts in accordance with this Section 5.11 or otherwise. Purchaser and Merger Sub shall not, without the prior written consent of Supervalu, amend, modify, supplement or waive any provision of the Commitment Letters or any definitive agreements related to the Financing in a manner that would (i) add any additional condition (or expand any existing condition) to funding of the Financing, (ii) reduce the amount of Financing, (iii) adversely impact the ability to enforce any rights thereunder or (iv) reasonably be expected to prevent, materially delay or otherwise adversely affect the ability of Purchaser and Merger Sub to obtain the Financing and timely consummate the Merger. For the avoidance of doubt, it is understood and agreed that Purchaser and Merger Sub, without the consent of Supervalu or Save-A-Lot, may amend the Debt Commitment Letter to add lenders, arrangers, bookrunners, agents, managers or similar entities that have not executed the Debt Commitment Letter as of the date hereof and amend the economic and other arrangements with respect to the existing and additional lenders, arrangers, bookrunners, agents, managers or similar entities.

(b) Prior to the Closing, Supervalu shall, and shall cause the Save-A-Lot Entities to, and shall use their reasonable best efforts to cause their representatives to, provide all cooperation

that is necessary, customary or advisable and reasonably requested by Purchaser to assist Purchaser and Merger Sub in the arrangement of the Debt Financing, including:

(i) participation in (and use of reasonable best efforts to cause members of senior management of Save-A-Lot and its external auditors to participate in) a reasonable number of meetings (including customary one-on-one meetings with the parties acting as lead arrangers or agents for, and prospective lenders of, the Debt Financing), presentations, due diligence sessions and sessions with rating agencies;

(ii) use of reasonable best efforts to assist with the timely preparation of (A) materials for rating agency presentations, bank syndication materials and bank information memoranda for any portion of the Debt Financing (and furnishing customary authorization letters in connection therewith (containing customary representations, including with respect to the presence or absence of material non-public information about Save-A-Lot and regarding the accuracy of the information provided by, or with respect to, Save-A-Lot), executed on behalf of Save-A-Lot) and (B) financial projections for the Business;

(iii) use of reasonable best efforts (A) to assist with the preparation of, and execution and delivery as of, and subject to the occurrence of, the Closing, any credit agreements (or amendments thereto), guarantees, pledge and security documents that facilitate the creation, perfection or enforcement of liens securing the Debt Financing (including original copies of all certificated securities (or local equivalents) (with transfer powers (or local equivalents) executed in blank) (including providing copies thereof prior to Closing)), control agreements, other definitive financing documents (including information necessary for the completion of schedules thereto), borrowing base certificates or other certificates (including an executed certificate of the Chief Financial Officer of Save-A-Lot or an officer performing the equivalent function immediately following the Closing, solely to the extent such person is a Business Employee that continues to be employed by a Save-A-Lot Entity at the Closing, with respect to solvency matters relating to the Business (but not, for the avoidance of doubt, any co-borrower or guarantors of the Debt Financing other than the Save-A-Lot Entities) as of the Closing in the form attached to the Debt Commitment Letter) or documents, in each case, as may be reasonably requested by Purchaser, and (B) to cooperate in connection with Purchaser's and Merger Sub's efforts to obtain landlord consent and access letters, surveys and title insurance, in each case, as may be reasonably requested by Purchaser;

(iv) furnishing to Purchaser and its financing sources historical financial and other pertinent information (including historical audited and unaudited, but not pro forma, Financial Statements, as well as Fiscal Period Financial Statements in the form currently prepared by Supervalu within 30 days after the completion of the relevant Fiscal Period) regarding Save-A-Lot as may be reasonably requested by Purchaser or its financing sources in connection with the Debt Financing, including the Financing Information, and identify any such information, if any, as is suitable for distribution to "public side" lenders;

(v) use of reasonable best efforts to assist Purchaser in the preparation of customary pro forma Financial Statements; provided that (A) Purchaser and Merger Sub shall be responsible for the preparation of such pro forma Financial Statements and pro forma adjustments giving effect to the Merger and the other transactions contemplated herein (without prejudice to Supervalu's responsibility for the accuracy of the Business Financial Statements pursuant to the terms of this Agreement) and (B) such assistance shall relate solely to the financial information and data derived from the historical books and records of Supervalu and its Subsidiaries,

(vi) use of reasonable best efforts to obtain any necessary and customary accountants' consents and comfort letters as reasonably requested by Purchaser or its financing sources;

(vii) taking all reasonable actions necessary to (A) permit the Lenders involved in the Debt Financing to evaluate Save-A-Lot's current assets, cash management and accounting systems, and policies and procedures relating thereto, for the purposes of establishing collateral arrangements as of the Closing, (B) establish bank and other accounts and blocked account agreements and lock box arrangements in connection with the Debt Financing and (C) enable the Purchaser or its financing sources to conduct field examinations, asset appraisals and other diligence, in each case, as is customary for the completion of an "asset based" revolving credit facility;

(viii) use of reasonable best efforts to assist Purchaser prior to the commencement of the Marketing Period in procuring public corporate ratings and corporate family ratings in respect of the Business and public ratings of the facilities contemplated by the Debt Financing from Standard & Poor's Financial Services LLC and Moody's Investors Service, Inc.;

(ix) (A) furnishing to Purchaser and its financing sources documents reasonably required by Purchaser or its financing sources relating to the repayment of any existing indebtedness of Save-A-Lot, and the release of guarantees incurred, and liens granted, by the Save-A-Lot Entities to secure any existing indebtedness of Supervalu or its Affiliates, under the Existing SVU Term Loan Agreement and/or Existing SVU ABL Agreement, on the Closing Date, and (B) use of reasonable best efforts to furnish to Purchaser and its financing sources documents (including customary payoff letters) reasonably required by Purchaser or its financing sources relating to the repayment of any other existing indebtedness of Save-A-Lot, and the release of guarantees incurred, and liens granted, by the Save-A-Lot Entities to secure any such other existing indebtedness of Supervalu or its Affiliates, on the Closing Date, as reasonably requested by Purchaser to assist Purchaser in the arrangement of the Debt Financing (provided that neither Supervalu nor any Save-A-Lot Entity shall be required to make any payment in connection with the foregoing);

(x) furnishing to Purchaser and its financing sources, at least three Business Days prior to the Closing Date, all documentation and information as is reasonably

requested in writing by the Lenders at least ten days prior to the Closing Date about the Save-A-Lot Entities that the Lead Arrangers (as defined in the Debt Commitment Letter) reasonably determine is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act; and

(xi) use of reasonable best efforts to take all actions reasonably requested by Purchaser to satisfy the conditions to the consummation of the Debt Financing set forth in the Debt Commitment Letter as of the date hereof, to the extent satisfaction thereof requires the cooperation, and is within the control, of Supervalu or any Save-A-Lot Entity;

provided, that nothing herein shall require such cooperation to the extent it would (w) unreasonably disrupt the conduct of the business or operations of Supervalu or any of its Subsidiaries, (x) require Supervalu or any of its Subsidiaries (other than the Save-A-Lot Entities and then subject in all respects to clause (y) below) to agree to pay any commitment or other fees, reimburse any expenses, provide or enter into any security, agreements, opinions, authorization letters, certificates or other instruments, or otherwise incur any liability or give any indemnities, (y) require any of the Save-A-Lot Entities to agree to pay any commitment or other fees, reimburse any expenses, provide or enter into any security, any agreements, opinions, authorization letters (other than, in respect of Save-A-Lot only, using reasonable best efforts to deliver the customary authorization letters referred to in clause (ii) of this Section 5.11(b)), certificates or other instruments or otherwise incur any liability or give any indemnities that are effective prior to the Closing, or (z) require Supervalu or any of its Subsidiaries to take any action that would reasonably be expected to conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, any organizational document of Supervalu or any of its Subsidiaries, any applicable Laws or any material Contract; and provided, further, that none of Supervalu, the Save-A-Lot Entities, their respective Affiliates nor any Persons who are employees, directors or officers thereof, shall be required to (A) pass resolutions or consents to approve or authorize the Debt Financing or deliver any legal opinion or certificates or instruments (other than (i) using reasonable best efforts to deliver the customary authorization letters referred to in clause (ii) of this Section 5.11(b) and the solvency certificate referred to in clause (iii) of this Section 5.11(b) or (ii) with respect to the Save-A-Lot Entities only, effective as of the Closing) in connection with the Debt Financing or (B) prepare pro forma financial information or statements to be included in any rating agency presentations, bank syndication materials, bank information memoranda or other offering documents for any portion of the Financing other than assistance pursuant to Section 5.11(b)(v).

Purchaser and Merger Sub shall promptly, upon request by Supervalu, reimburse Supervalu for all reasonable costs and expenses (including reasonable attorneys' fees) incurred by Supervalu or any of its Subsidiaries (including the Save-A-Lot Entities, whose costs and expenses in connection with the Financing shall, notwithstanding anything to the contrary herein, be the sole responsibility of Purchaser and Merger Sub, provided, however, that Save-A-Lot shall bear all costs related to its obligations with respect to the preparation, review, delivery and audit of the historical Financial Statements referred to in clauses (a) and (b) of the definition of "Financing Information") or their respective representatives in connection with the Financing, including the cooperation contemplated in respect of the Debt Financing by this Section 5.11, and shall indemnify and hold

harmless Supervalu, its Subsidiaries and their respective representatives from and against any and all Liabilities suffered or incurred by any of them in connection with the arrangement of the Financing and any information used in connection therewith, except in the event such Liabilities arose out of or resulted from historical financial information of Save-A-Lot provided by or on behalf of Supervalu in writing specifically for use in connection with the Debt Financing. Supervalu hereby consents to the reasonable use of logos used by Save-A-Lot in connection with the Debt Financing; provided that such logos are used solely in a manner that is not intended to or reasonably likely to harm or disparage Supervalu or Save-A-Lot or their reputation or goodwill. Supervalu shall, and shall cause its Affiliates to, use reasonable best efforts to periodically update any Financing Information provided to Purchaser as may be necessary so that such Financing Information (i) is Compliant, (ii) meets the applicable requirements set forth in the definition of "Financing Information" and (iii) would not, after giving effect to such update(s), result in the Marketing Period ceasing to be deemed to have commenced. For the avoidance of doubt, Purchaser may, to most effectively access the financing markets, require the reasonable cooperation of Supervalu and its Affiliates under this Section 5.11 at any time, and from time to time and on multiple occasions, prior to the Closing; provided, that, for the avoidance of doubt, the Marketing Period shall not be applicable as to each attempt to access the markets.

(c) For purposes of this Section 5.11, the term "Financing" shall also be deemed to include any Alternate Financing and the terms "Debt Commitment Letter," "Equity Commitment Letter" and "Commitment Letters" shall also be deemed to include any commitment letter in respect of Alternate Financing.

(d) All non-public or otherwise confidential information regarding either Party obtained by the other Party pursuant to this Section 5.11 shall be kept confidential in accordance with the Confidentiality Agreement; provided, that Purchaser and Merger Sub shall be permitted to disclose information as necessary and consistent with customary practices in connection with the Financing subject to customary confidentiality arrangements reasonably satisfactory to Supervalu.

5.12 Pre-Closing Restructuring. Prior to the Closing, Supervalu shall, and shall cause the Save-A-Lot Entities:

(a) to consummate the restructuring and other transactions pursuant to the Separation Agreement set forth as Exhibit A to this Agreement on the terms set forth therein (the "Pre-Closing Restructuring");

(b) not to, without the prior written consent of Purchaser, amend, modify, supplement or waive any provision of the Separation Agreement in any manner adverse to the Save-A-Lot Entities or the Business; and

(c) to cause any Liens on the assets or properties of the Save-A-Lot Entities securing any indebtedness or other obligations of the Supervalu Group, to be released, effective no later than, or substantially concurrently with, the Closing Date.

5.13 Mutual Release.

(a) Effective as of the Closing and except for claims for Fraud or as otherwise expressly set forth in this Agreement (including Section 7.2, Section 7.3, Article X and Section 5.13(b)) or in the Separation Agreement or the Services Agreement, each of Supervalu, on behalf of itself and each of its respective Subsidiaries and each of their respective successors and assigns, on the one hand, and Purchaser, on behalf of itself and each of its Subsidiaries, including the Save-A-Lot Entities, and each of their respective successors and assigns, on the other hand, hereby irrevocably, unconditionally and completely waives and releases and forever discharges (i) Supervalu and Affiliates and their respective successors and assigns (in the case of Purchaser), (ii) Purchaser and its Affiliates and their respective successors and assigns (in the case of Supervalu) and (iii) all Persons who at any time prior to the Closing have been stockholders, directors, officers, agents or employees of the other or any of the other's Affiliates (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns (such released Persons, the "Releasees"), in each case from all Indebtedness, demands, Actions, causes of action, suits, accounts, covenants, contracts, agreements, Losses and other Liabilities whatsoever of every name and nature, both in law and in equity, arising out of or related to events, circumstances or actions taken by such other Party or its respective Subsidiaries (including, in the case of Supervalu, the Save-A-Lot Entities) occurring or failing to occur, in each case, at or prior to the Closing Date. Neither Party hereto shall make, and each Party hereto shall not permit any of its Subsidiaries or their respective representatives to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any of the other Party's Affiliates or any of other Party's Releasees with respect to any Liabilities released pursuant to this Section 5.13. Except as set forth herein, from and after the Closing Date, no member of the Supervalu Group shall have any right of contribution or indemnification against any of the Save-A-Lot Entities for any amounts paid to any Purchaser Indemnified Party as a result of any claim for indemnification under this Agreement or any claim arising from or relating to a breach by Supervalu or any of the Save-A-Lot Entities or their respective Subsidiaries of any representations, warranties, covenants or other agreements contained in this Agreement or in the Services Agreement.

(b) Notwithstanding the foregoing, Section 5.13(a) shall not constitute a release from, waiver of, or otherwise apply to the terms of this Agreement, the Separation Agreement or the Services Agreement or any Liability or Contract expressly contemplated by this Agreement or the Services Agreement to be in effect between Supervalu and Purchaser (or their respective Affiliates) after the Closing, or any enforcement thereof. Without limiting the generality of the foregoing, nothing contained in this Section 5.13(b) shall waive, release or otherwise discharge any Person from any Liability (i) retained, assumed, transferred, assigned or allocated to Supervalu, on the one hand, or Purchaser or the Save-A-Lot Entities, on the other hand, in accordance with this Agreement or the Services Agreement, or (ii) the release of which would result in the release of any Person other than a Person released pursuant to Section 5.13(a).

5.14 Financial Statement Assistance.

(a) From and after the Closing Date until the third (3rd) anniversary of the Closing, Supervalu shall, and shall cause its Subsidiaries to, as promptly as reasonably practicable, reasonably cooperate with Purchaser (including by providing financial information in its possession and reasonable access to its personnel during normal business hours), at Purchaser's sole expense (to the extent not already covered by the Services Agreement), in Purchaser's preparation of:

(i) (A) unaudited combined and consolidated balance sheets and related combined and consolidated income statements and cash flow statements, as well as related footnote information, of the Save-A-Lot Entities as of and for (1) any quarterly fiscal period ending after the date hereof and prior to the Closing Date, (2) the quarterly fiscal period that includes Closing Date, (3) the period (x) beginning immediately after the end of the last quarterly fiscal period ending prior to the Closing Date and (y) ending on the Closing Date, (4) the period (x) beginning on the Closing Date and (y) ending at the end of the first quarterly fiscal period ending after the Closing Date, and (5) in the case of clauses (1), (2), (3) and (4), the comparative quarterly fiscal periods in the prior year, in each case as reasonably requested by Purchaser (the "Quarterly Financial Statements"), which Quarterly Financial Statements shall be prepared by Purchaser in accordance with GAAP applied in a manner consistent with the preparation of the Audited Financial Statements (provided, however, that such Quarterly Financial Statements with regard to any period including dates after the Closing shall be prepared as consolidated statements), including with respect to footnote disclosure, with such exceptions and omitted footnotes as are customary in the preparation of interim financial statements; and (B) customary "MD&A"s, comparing the period(s) represented by the Quarterly Financial Statements to the comparable period(s) in the prior year, with such exceptions and omissions as are customary in an MD&A for an interim period (it being understood that, without limiting the foregoing, it is not Supervalu's responsibility to prepare any such financial statements or information or to assure compliance with any periods);

(ii) (A) the audited combined and consolidated statements of earnings, cash flows and changes in parent company equity of the Business, in each case on a carveout basis, of the Save-A-Lot Entities for (1) the period beginning March 1, 2016 and ending on the earlier of the Closing Date and February 25, 2017, as applicable ("Year-End Financial Statements"), and (2) the period beginning on the Closing Date and ending on the applicable fiscal year end date of either December 31, 2016 or December 31, 2017 (together, the "Stub Year Financial Statements"); and (B) a customary "MD&A" comparing the applicable fiscal year with the prior fiscal year, such that Purchaser can (x) to the extent the Closing Date is prior to December 19, 2016, finalize such Year-End Financial Statements and MD&A no later than March 15, 2017 and such Stub Year Financial Statements no later than January 24, 2017, (y) to the extent the Closing Date is on or between December 19, 2016 and December 31, 2016, finalize such Year-End Financial Statements and Stub Year Financial Statements no later than March 15, 2017, and (z) to the extent the Closing Date is on or after January 3, 2017, finalize such Year-End Financial Statements and Stub Year Financial Statements no

later than January 24, 2018 (it being understood that, without limiting the foregoing, it is not Supervalu's responsibility to prepare any such Year-End Financial Statements or information or to assure compliance with any periods);

(iii) the audited combined and consolidated balance sheet on a carveout basis of the Save-A-Lot Entities as of the Closing Date (the "Closing Date Balance Sheet"), such that Purchaser can finalize such balance sheet (A) to the extent the Closing Date is on or prior to January 3, 2016, no later than January 24, 2017 and (B) to the extent the Closing Date is after January 4, 2016, no later than January 24, 2018;

(iv) in Purchaser's auditors performing an AICPA AU 930 review with respect to the Quarterly Financial Statements and audit in accordance with the AICPA AU standard for annual audits with respect to the Year-End Financial Statements, the Stub Year Financial Statements and the Closing Date Balance Sheet, such that such review and audit can be finalized no later than the applicable date or dates set forth above (it being understood that, without limiting the foregoing, it is not Supervalu's responsibility to assure compliance with any periods); and

(v) in Purchaser's preparation of unaudited and audited combined and consolidated statements of earnings, cash flows and changes in parent company equity of the Business, in each case on a carveout basis, for the Save-A-Lot Entities for the 2013, 2014, 2015 and 2016 fiscal years in order to permit Purchaser to prepare selected financial information for those fiscal years as would be required by Item 301 of Regulation S-K of the Securities Act.

(b) The cooperation required by Section 5.14(a) shall include using commercially reasonable efforts to provide (i) all information in Supervalu's or its Subsidiaries' possession reasonably necessary to support Purchaser's auditors performing an AICPA AU 930 review or audit in accordance with the AICPA AU standard for annual audits, as applicable, with respect to such combined and consolidated statements of earnings, cash flows and changes in parent company equity of the Business (including any information reasonably requested by Purchaser or its auditors for such purpose), (ii) access to any books, records, work papers and other documents in Supervalu's or its Subsidiaries' possession, (iii) management representation letters and other similar items and (iv) access to Supervalu's and its Subsidiaries' personnel reasonably necessary for Purchaser's preparation of the Quarterly Financial Statements, the Stub Year Financial Statements and the Year-End Financial Statements.

(c) To the extent any unaudited combined balance sheets and related combined income statements and cash flow statements, as well as related footnote information, of the Save-A-Lot Entities that are provided to Purchaser prior to the date hereof are subsequently amended or restated by Supervalu or any of its Subsidiaries, Supervalu shall, and shall cause its Subsidiaries to, as promptly as reasonably practicable, provide such amended or restated unaudited combined balance sheets and related combined income statements, cash flow statements and related footnote information to Purchaser.

(d) From and after the Closing Date until the third (3rd) anniversary of the Closing, Supervalu shall, and shall cause its Subsidiaries to, as promptly as reasonably practicable

following a written request by Purchaser, reasonably cooperate with and provide reasonable support to Purchaser and its Affiliates and their respective representatives (including by providing financial information in its possession, access to its personnel and otherwise providing reasonable assistance to Purchaser), at Purchaser's sole expense (to the extent not already covered by the Services Agreement), in (i) Purchaser's preparation of any unaudited combined and consolidated income statements and cash flow statements, as well as related footnote information, of the Save-A-Lot Entities that may be required for the preparation of unaudited interim financial statements or audited year-end financial statements of any Affiliate of Purchaser and (ii) the implementation of a fiscal year ending December 31st for the Save-A-Lot Entities.

5.15 Non-Solicitation; Non-Competition.

(a) *Non-Solicitation.* For a period of one (1) year from the Closing Date, none of the members of the Supervalu Group nor any of their officers or directors shall, directly or indirectly, solicit for employment (whether as an employee, consultant or otherwise) any of the individuals listed on Section 5.15 of the Save-A-Lot Disclosure Schedules; provided that the members of the Supervalu Group and their officers, directors and employees shall not be precluded from soliciting or hiring any such individual who has been terminated by Purchaser or its Affiliates (including a Save-A-Lot Entity) prior to commencement of employment discussions between any member of the Supervalu Group or any of their officers, directors or employees and such individual; and provided, further, that the members of the Supervalu Group shall not be restricted from engaging in general or public solicitations or advertising not specifically targeted at any such individuals described above.

(b) *Non-Competition.*

(i) For a period of five (5) years following the Closing Date, Supervalu shall not, and shall not permit any Restricted Party to, directly or indirectly, (A) own, invest in, manage or operate any Competitive Store, provided that the ownership, investment, management or operation of up to 25 Competitive Stores at any one time by Supervalu and the Restricted Parties in the aggregate shall not constitute a breach of this obligation; (B) own, invest in, manage or operate any person or business engaged in (1) the sale of products for resale to any Competitive Store (including Save-A-Lot licensee stores) to the extent such products constitute more than 35% of the total sales from such Competitive Store or Save-A-Lot licensee store, other than to up to 25 Competitive Stores that do not satisfy such 35% restriction at any one time by Supervalu and the Restricted Parties in the aggregate, or (2) the provision of logistics or physical distribution services to any Competitive Store unrelated to goods for resale; provided, that, (x) Supervalu and the Restricted Parties will not sell, in any 12-month period, more than $2,000,000 in the aggregate of products for resale to Save-A-Lot licensee stores, excluding any products for which the applicable licensee confirms to Supervalu that such products (or equivalent products) are not then available for purchase from Purchaser or any of its Subsidiaries (including any Save-A-Lot Entity), (y) with respect to this clause (B) of this Section 5.15(b)(i), "Competitive Store" shall not include any retail store in the Caribbean that is not a Save-A-Lot licensee store, and (z) from time to time, Purchaser and Supervalu may establish by mutual agreement further guidelines for such sales to Save-A-Lot licensee stores; (C) own, invest in, manage or operate any person or business engaged in the license for use in any Competitive Store of any banner, name or store concept

or format, provided that such license for use in up to 25 Competitive Stores by Supervalu and the Restricted Parties in the aggregate at any one time shall not constitute a breach of this obligation or (D) following a Change of Control, disclose or make available to any Affiliate of Supervalu that is not a Restricted Party any non-public information or data about the Business or the Save-A-Lot Entities (and Supervalu shall establish reasonable and customary procedures to prevent the sharing of such information in violation of the foregoing); provided that, in each case, the foregoing shall not restrict the Restricted Parties from, directly or indirectly, holding interests in or securities of any Person engaged in activities otherwise prohibited by this Section 5.15(b) to the extent that such investment does not, directly or indirectly, confer on the Restricted Parties more than five percent (5%) of the voting power of such Person; provided further that in the case of the purchase by Supervalu or a Restricted Party of a Person whose business would otherwise constitute a breach of this Section 5.15(b), Supervalu or any Restricted Party may purchase such Person without being in violation of this Section 5.15(b) so long as it shall (1) enter into a binding agreement to, and shall, divest to an unaffiliated third party the portion of the business or assets acquired in such acquisition which derives revenues from Competitive Stores as soon as reasonably practicable, and in any event not later than one year, following the closing of the acquisition of such Person or business such that Supervalu or the applicable Restricted Party would not be in violation of this Section 5.15(b) or (2) at Supervalu's or the applicable Restricted Party's election in its sole discretion, cause the acquired Person or business to cease conducting in violation of this Section 5.15(b) the business that derives revenues from Competitive Stores as promptly as reasonably practicable, and in any event not later than one year, following the closing of the acquisition of such Person or business.

(ii) As used in this Agreement:

(A) "Competitive Store" means a retail store in the United States and the Caribbean primarily offering groceries and food using a price- or value-focused format, in which there are fewer than 5,500 items/SKUs customarily for sale on a daily basis, in which 40% or more of sales (excluding fresh meat and perishables) are from private label items/SKUs; provided that none of the following shall constitute a Competitive Store: (1) "convenience" stores (as an example only, "7-Eleven" Quick Shops), (2) "specialty" stores which generally market one product type (as examples only, beverages, produce, bread, meat or ethnic products), (3) "dollar" stores (as examples only, "Dollar General" and "Dollar Tree" branded stores), (4) "cost plus" stores (as examples only, "Shoppers Value" and "Price Less Foods") that offer more than 5,500 items/SKUs, (5) "natural" or "organic" stores (as an example only, "Sprouts"), (6) mass-market express stores (as an example only, "TargetExpress") and (7) stores that only receive payments based on the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Examples as of the date hereof of Competitive Stores include stores of Aldi, Lidl and Ruler Foods to the extent located in the United States or the Caribbean.

(B) "Restricted Party" means any Person that, from time to time, is a Subsidiary of Supervalu, excluding, from and after a Change of Control, the

counterparty to such Change of Control and any person that is a Subsidiary of the counterparty to such Change of Control other than Supervalu and its Subsidiaries immediately prior to such Change of Control.

(C) "Change of Control" means any transaction or series of related transactions immediately following which (a) the equityholders of Supervalu as of immediately prior to such transaction(s) hold, directly or indirectly and in the aggregate, less than 50% of the outstanding equity interests of Supervalu, or (b) any Person or "group" (within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder) hold, directly or indirectly, more than 50% of the outstanding equity interests of Supervalu.

(iii) Nothing in this Section 5.15(b) shall supersede or modify or require Supervalu or any Restricted Party to breach or fail to comply with any existing obligations for the sale of, or the provision of logistics or physical distribution services with respect to, products for resale, to the extent contained in any Contract to which Supervalu or any Restricted Party is a party and that is in existence on the date of this Agreement.

(iv) The Parties acknowledge that the restrictions contained in this Section 5.15(b) are reasonable in scope and duration in light of the nature, size and location of the Business. The Parties further acknowledge that the restrictions contained in this Section 5.15(b) are necessary to protect Purchaser's significant investment in the Business, including its goodwill. It is the desire and intent of the Parties that the provisions of this Section 5.15 be enforced to the fullest extent permissible under applicable Law. If all or part of this Section 5.15(b) is held invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect. If any part of this Section 5.15(b) is held to be excessively broad as to duration, scope, activity or subject, such part will be construed by limiting and reducing it so as to be enforceable to the maximum extent permissible under applicable Law or public policy.

5.16 Member Approvals. Immediately after the execution of this Agreement, Merger Sub shall obtain the written consent of Purchaser (in its capacity as the sole stockholder of Merger Sub) irrevocably approving the consummation of the transactions contemplated by this Agreement, including the Merger.

5.17 Service Level Agreements. From and after the date of this Agreement until the Closing, Supervalu and Purchaser will negotiate in good faith any additional Services Level Agreements (as defined in the Services Agreement) to appropriately reflect the service levels provided by Supervalu to Save-A-Lot during the 12 months preceding the date hereof; provided that notwithstanding anything in this Agreement or the Services Agreement to the contrary, Purchaser and Merger Sub expressly acknowledge and agree that neither the documentation of nor agreement on any or all such additional Service Level Agreements are conditions to the obligations of any of the parties hereto to effect the transactions contemplated by this Agreement, including the Merger and delivery of the Services Agreement.

5.18 Shared Contract Obligations. Supervalu and Save-A-Lot agree to take the actions set forth on Section 5.18 of the Save-A-Lot Disclosure Schedules.

5.19 Oracle Agreement Termination. Supervalu and Save-A-Lot agree to use reasonable best efforts to terminate, in whole or in part (as specified in the Oracle Notice), all or a portion of the Oracle Agreements (as specified in the Oracle Notice), in accordance with the terms of such Oracle Agreements, including by providing Oracle Corporation or its applicable assignee or affiliate with a written notice of such termination that satisfies the requirement of the applicable Oracle Agreement(s); provided that Purchaser delivers to Supervalu a written notice of such request no later than November 17, 2016, specifying the Oracle Agreement(s) to be terminated and if such termination is in whole or in part (the "Oracle Notice"). Supervalu will be solely responsible for all costs and expenses related to this Section 5.19.

## ARTICLE VI

## EMPLOYEE MATTERS

6.1 Treatment of Business Employees. With respect to each Business Employee, Purchaser shall provide or cause to be provided, for the period of at least twelve (12) months immediately following the Closing Date (the "Continuation Period"), (i) the same wage rate or cash salary level in effect for such Business Employee immediately prior to the Closing, (ii) target short-term incentive compensation opportunities that are no less favorable than the target short-term incentive compensation opportunities provided to such Business Employee immediately prior to the Closing, and (iii) other compensation and employee benefits that are substantially comparable in the aggregate to the other compensation and employee benefits provided to such Business Employee immediately prior to the Closing (excluding long-term incentives, special or one-time bonuses or retention awards, defined benefit pension, retiree medical or other retiree welfare benefits and supplemental retirement and deferred compensation arrangements).

6.2 Service Credit. The Save-A-Lot Benefit Plans established pursuant to Section 3(b)(i) of the Separation Agreement shall give each Business Employee full credit for all purposes for such Business Employee's service prior to the Closing with Supervalu and its applicable Affiliates (including the Save-A-Lot Entities) and their respective predecessors, to the same extent such service is recognized by Supervalu and its applicable Affiliates (including the Save-A-Lot Entities) immediately prior to the Closing. As of and after the Closing, for purposes of eligibility and vesting and, with respect to vacation, paid time off and any applicable severance plans, for purposes of determining the level of benefits thereunder, Purchaser shall or shall cause the applicable Save-A-Lot Entity to give each Business Employee full credit under each other employee benefit plan, policy or arrangement, and any other service-based or seniority-based entitlement maintained or made available for the benefit of Business Employees as of and after the Closing by Purchaser or any of its Affiliates (but excluding equity or equity based compensation arrangements), for such Business Employee's service prior to the Closing with Supervalu and its applicable Affiliates (including the Save-A-Lot Entities) and their respective Predecessors, to the same extent such service is recognized by Supervalu and its applicable Affiliates (including the Save-A-Lot Entities) immediately prior to

the Closing. Notwithstanding the foregoing, no service credit will be given to the extent that it would result in a duplication of benefits for the same period of service.

6.3 Health Coverages. During the Continuation Period, Purchaser shall cause each Business Employee (and his or her eligible dependents) to be covered by a group health plan or plans that (a) comply with the provisions of Section 6.1, (b) do not limit or exclude coverage on the basis of any pre-existing condition of such Business Employee or dependent (other than any limitation already in effect under the applicable group health Supervalu Benefit Plan or Save-A-Lot Benefit Plan) or on the basis of any other exclusion or waiting period not in effect under the applicable group health Supervalu Benefit Plan or Save-A-Lot Benefit Plan, and (c) to the extent that such plans are Purchaser group health plans in which such Business Employee becomes eligible to participate for the first time following the Closing, provide such Business Employee full credit, for the plan year in which the Business Employee becomes eligible to participate in such Purchaser group health plan, for any deductible, co-payment or out-of-pocket expenses already incurred by the Business Employee under the applicable group health Supervalu Benefit Plan or Save-A-Lot Benefit Plan during such year for purposes of any deductible, co-payment or maximum out-of-pocket expense provisions, as applicable, of such Purchaser group health plans.

6.4 Severance. With respect to each Business Employee whose employment is terminated without cause during the Continuation Period, Purchaser shall provide severance pay and benefits equal in value to the severance pay and benefits as set forth in Section 6.4 of the Save-A-Lot Disclosure Schedules, taking into account the Business Employee's period of employment with Supervalu and its Affiliates (including any Save-A-Lot Entity) prior to the Closing and with Purchaser and its Affiliates on and after the Closing.

6.5 WARN and Corresponding State Laws. Purchaser shall be solely responsible for and agrees to indemnify, hold harmless and, at the option of Supervalu, to defend the Supervalu Group from and against any Liabilities under WARN or any similar state Law, with respect to any Business Employee who is found to have suffered an "employment loss" under WARN or any similar state Law on or after the Closing Date as a result of Purchaser's actions, and any and all other Liabilities under WARN or any similar state Law arising out of or resulting from Purchaser's actions or Purchaser's failure to serve sufficient notice pursuant to WARN or any similar state Law.

6.6 Vacation, Holidays and Leaves of Absence. Purchaser shall allow Business Employees to use the vacation, holiday, annual leave or other leave of absence assumed or recognized pursuant to Section 3.6(h) of the Separation Agreement, subject to and in accordance with the terms of Purchaser's or Save-A-Lot's and its Subsidiaries' vacation, holiday and other leave policies as in effect from time to time.

6.7 LTD Employees. If any LTD Employee is, within 180 days following the Closing Date or such longer period required by applicable Law, able to return to work, Purchaser shall offer employment to such LTD Employee on terms consistent with those applicable to Business Employees generally under this Article VI and, from and after such LTD Employee's commencement of employment with Purchaser, such LTD Employee shall be considered a "Business Employee" for all purposes under this Agreement.

6.8 Save-A-Lot Benefit Plans. As of the Closing, Purchaser and its Affiliates shall assume, or shall cause Save-A-Lot and its Subsidiaries to continue, as the case may be, sponsorship of, and all Liabilities and other obligations with respect to, the Save-A-Lot Benefit Plans.

6.9 Treatment of Supervalu Equity Awards.

(a) At the Effective Time, each option to purchase shares of Supervalu Common Stock held by a Business Employee that is outstanding and unexercised immediately prior to the Effective Time (each, a "Supervalu Stock Option"), other than Supervalu Retirement-Eligible Stock Options, shall vest as of the Effective Time with respect to a number of shares of Supervalu Common Stock underlying such Supervalu Stock Option equal to the product of (i) the number of shares of Supervalu Common Stock with respect to which such Supervalu Stock Option would have become vested as of the next vesting date applicable to such Supervalu Stock Option *multiplied by* (ii) the Supervalu Equity Award Ratio. Any portion of such Supervalu Stock Option that is not vested prior to the Effective Time and that does not become vested in accordance with the immediately preceding sentence shall be forfeited and cancelled for no consideration as of the Effective Time. Any portion of such Supervalu Stock Option that is (or becomes) vested as of the Effective Time shall be exercisable until the earlier of (A) the fourth anniversary of the Closing Date and (B) the original expiration date of such Supervalu Stock Option.

(b) At the Effective Time, each Supervalu Stock Option that was granted in 2014 and is held by a Business Employee who is retirement-eligible under the applicable award agreement (each such Supervalu Stock Option, a "Supervalu Retirement-Eligible Stock Option") shall fully vest as of the Effective Time and shall continue to be exercisable until the earlier of (A) the fifth anniversary of the Closing Date and (B) the original expiration date of such Supervalu Retirement-Eligible Stock Option.

(c) At the Effective Time, each restricted stock unit award in respect of shares of Supervalu Common Stock held by a Business Employee that is outstanding immediately prior to the Effective Time (each, a "Supervalu RSU Award"), other than Supervalu Retirement-Eligible RSU Awards and Specified Supervalu RSU Awards, shall vest as of the Effective Time with respect to a number of shares of Supervalu Common Stock underlying such Supervalu RSU Award equal to the product of (i) the number of shares of Supervalu Common Stock with respect to which such Supervalu RSU Award would have become vested as of the next vesting date applicable to such Supervalu RSU Award *multiplied by* (ii) the Supervalu Equity Award Ratio. Any portion of such Supervalu RSU Award that is not vested prior to the Effective Time and that does not become vested in accordance with the immediately preceding sentence shall be forfeited and cancelled for no consideration as of the Effective Time. Supervalu shall settle the portion of each Supervalu RSU Award that becomes vested in accordance with the first sentence of this Section 6.9(c) in accordance with the terms of the applicable award agreement.

(d) At the Effective Time, each Supervalu RSU Award that was granted in 2014 and is held by a Business Employee who is retirement-eligible under the applicable award agreement (each such Supervalu RSU Award, a "Supervalu Retirement-Eligible RSU Award") shall fully vest as of the Effective Time and shall be settled by Supervalu in accordance with the vesting and settlement schedule set forth in the applicable award agreement.

(e) At the Effective Time, each Supervalu RSU Award set forth in Section 6.9 of the Save-A-Lot Disclosure Schedules (the "Specified Supervalu RSU Awards") shall be treated as set forth in Section 6.9 of the Save-A-Lot Disclosure Schedules.

(f) At the Effective Time, each performance stock unit award in respect of shares of Supervalu Common Stock that is outstanding immediately prior to the Effective Time and held by a Business Employee (each, a "Supervalu PSU Award" and, together with the Supervalu Stock Options and the Supervalu RSU Awards, the "Supervalu Equity Awards") shall be forfeited and cancelled for no consideration.

(g) At or prior to the Effective Time, the Board of Directors of Supervalu and/or its compensation committee, as applicable, shall adopt resolutions to effectuate the provisions of this Section 6.9 with respect to the Supervalu Equity Awards.

(h) Supervalu shall be solely responsible for all obligations and Liabilities for or in respect of the Supervalu Equity Awards, including all applicable Tax withholding or employment or social or similar Taxes or government mandated insurance payments required to be made in respect thereof; provided, however, that in the event Purchaser reasonably determines that a Save-A-Lot Entity (or any post-Closing Affiliate of a Save-A-Lot Entity) is responsible for any such Taxes, the Purchaser shall promptly notify Supervalu of such determination and, to the extent Supervalu has not previously remitted such Taxes to the applicable Governmental Authority, Supervalu shall, at its election, either (i) remit such Taxes to the applicable Governmental Authority or (ii) direct that Purchaser cause the applicable Save-A-Lot Entity to remit the applicable Taxes to the applicable Governmental Authority, and promptly reimburse all such Taxes to the Save-A-Lot Entity.

6.10 Savings Plan. With respect to the Save-A-Lot Savings Plan (as defined in the Separation Agreement), the Purchaser agrees to cause Save-A-Lot or one of its Affiliates to make contributions to the accounts of active participants therein for the fiscal year in which the Closing occurs in an aggregate amount not less than the amount included in respect thereof as a Current Liability in the calculation of Working Capital as reflected in the Final Post-Closing Statement (or, in the event the Final Post-Closing Statement does not yet exist as of the time such contributions are to be made, in the Estimated Closing Statement).

6.11 Third Party Rights. The provisions of this Article VI are for the sole benefit of the parties hereto and nothing herein, express or implied, is intended or shall be construed to confer upon or give to any person (including any Business Employee), other than the parties to this Agreement and their respective successors and permitted assigns, any legal or equitable or other rights or remedies under or by reason of any provision of this Article VI. Nothing contained herein, express or implied: (a) shall be construed to establish, amend or modify any benefit plan, program, agreement or arrangement (including any Benefit Plan); (b) shall alter or limit Supervalu's, Purchaser's or any Save-A-Lot Entity's ability to amend, modify or terminate any benefit plan, program, agreement or arrangement (including any Supervalu Benefit Plan or Save-A-Lot Benefit Plan); or (c) is intended to confer upon any Business Employee any right to employment or continued employment for any period of time by reason of this Agreement, or any right to a particular term or condition of employment.

ARTICLE VII

TAX MATTERS

7.1 Section 336(e) Elections or 338(h)(10) Elections; Purchase Price Allocation.

(a) Supervalu and Purchaser shall (or shall cause their relevant Affiliates to) jointly make a timely and irrevocable election under Section 338(h)(10) of the Code, or, in lieu thereof, if Purchaser so notifies Supervalu in writing no later than five (5) Business Days prior to the anticipated Closing Date, Supervalu shall (and shall cause its relevant Affiliates to) comply with the requirements set forth in Treasury Regulations Sections 1.336-2(h)(1) and 1.336-2(h)(4) by means of entering into and filing, as necessary, a timely Section 336(e) Written Binding Agreement, Section 336(e) Election Statement and IRS Form 8883 (and, (i) any elections corresponding to the election under Section 338(h)(10) of the Code under any applicable state or local Tax Law, or (ii) any state and local requirements corresponding to those of Treasury Regulations Sections 1.336-2(h)(1) and 1.336-2(h)(4) requested in writing by Purchaser during the Tax Election Notice Period), with respect to the acquisition of the Section 336(e)/338(h)(10) Entities pursuant to this Agreement (any such elections under Section 338, the "Section 338(h)(10) Elections", and any such elections under Section 336(e), the "Section 336(e) Elections").

(b) Supervalu and Purchaser shall (and shall cause their relevant Affiliates to) cooperate in the preparation of all forms, attachments and schedules necessary to effectuate the Section 336(e) Elections or Section 338(h)(10) Elections, including, as applicable, IRS Forms 8023 and 8883 and any similar forms under applicable state and local Income Tax Laws (collectively, the "Section 336(e)/338(h)(10) Forms") in a manner consistent with the Purchase Price Allocation Schedule and the Allocation (if any). Supervalu and Purchaser shall (or shall cause their relevant Affiliates to) timely file such Section 336(e)/338(h)(10) Forms with the applicable taxing authorities (in the case of the Section 336(e) Election for US federal income Tax purposes, by means of the Section 336(e) Election Statement filed with the consolidated federal income Tax return for the year that includes the disposition date, and in the case of any state or local Section 336(e) Elections, by any other form requested by Purchaser consistent with this Agreement) and take all actions that are necessary (and, in the case of Supervalu with respect to state or local Section 336(e) Elections, requested in writing by Purchaser during the Tax Election Notice Period) to effectuate the Section 336(e) Elections or Section 338(h)(10) Elections. Supervalu and Purchaser agree that none of them shall, nor shall any of them permit any of their Affiliates to, revoke the Section 336(e) Elections or 338(h)(10) Elections following the filing of the Section 336(e)/338(h)(10) Forms without the prior written consent of Supervalu or Purchaser, as the case may be. As applicable, Purchaser shall provide Supervalu with a form of Section 336(e) Written Binding Agreement (for the absence of doubt, reflecting all relevant details known to Purchaser after due inquiry) no later than five (5) Business Days prior to the anticipated Closing Date. Between July 15, 2017 and August 15, 2017 (the "Tax Election Notice Period"), if Purchaser elects to make the Section 336(e) Elections, Purchaser shall provide Supervalu with the Section 336(e) Election Statement in respect of each Section 336(e)/338(h)(10) Entity as provided in Treasury Regulation Sections 1.336-2(h)(5) and with the information required by Treasury Regulation Sections 1.336-2(h)(6) (for the absence of doubt, in each case, reflecting all relevant details known to Purchaser after due inquiry). As applicable, Supervalu shall provide a copy of the Section 336(e) Election Statements to each Section 336(e)/338

(h)(10) Entity before filing Supervalu's consolidated federal income Tax Return for the year that includes the disposition date. "Section 336(e) Written Binding Agreement" shall mean a written agreement for the members of the affiliated group of corporations of which Supervalu is the common parent reflecting a binding obligation to make the Section 336(e) Election for such members with such agreement to be executed by each applicable member and the actual or deemed sellers as provided in Treasury Regulations Section 1.336-2(h)(1) and (4), which agreement shall be prepared by Purchaser in form and substance reasonably satisfactory to Supervalu. "Section 336(e) Election Statement" shall mean the "section 336(e) election statement" within the meaning of Treasury Regulations Section 1.336-2(h)(5), which statement shall be prepared by Purchaser in form and substance reasonably satisfactory to Supervalu, with Supervalu adding to such statement the relevant details of Supervalu and its Affiliates (including for these purposes the Save-A-Lot Entities), to the extent not known by Purchaser after due inquiry. Notwithstanding Section 7.1(a) and 7.1(b), Supervalu and Purchaser shall use commercially reasonable efforts to take all actions that are necessary to effectuate state or local Section 336(e) Elections. Supervalu hereby informs Purchaser that its consolidated federal income Tax return for the year including the disposition date is not due until after August 15, 2017 (taking into account any extensions).

(c) At Closing, Supervalu and Purchaser shall each deliver to the other Party one or more duly executed IRS Forms 8023 that reflect the Section 338(h)(10) Elections, each in form and substance reasonably satisfactory to such other Party, or if Purchaser elects to make the Section 336(e) Elections, Supervalu shall deliver to Purchaser a copy of the Section 336(e) Written Binding Agreement duly executed by the applicable members specified therein of the Supervalu affiliated group.

(d) Notwithstanding any other provision, for all U.S. federal (and applicable state and local) Tax purposes, Supervalu and Purchaser agree (and agree to cause their respective Affiliates) to allocate the Purchase Price (as finally determined hereunder) and any other amounts treated as consideration for such Tax purposes, among the assets of the Save-A-Lot Entities deemed sold for U.S. federal income tax purposes in accordance with Schedule III hereto (the "Purchase Price Allocation Schedule") (and, for the absence of doubt, subject to Section 7.1(e), not to treat any portion of the Purchase Price or such other amounts as a royalty, rent, a fee or compensation or allocable to any covenant). No later than one hundred and twenty (120) days after the Purchase Price is finally determined hereunder, Supervalu shall deliver to Purchaser a proposed allocation of the Purchase Price (and other relevant amounts) as of the Closing Date, which allocation shall incorporate, reflect and be consistent with the Purchase Price Allocation Schedule, and be determined in a manner consistent with Sections 336 or 338, as appropriate, and 1060 of the Code and the Treasury Regulations promulgated thereunder ("Supervalu's Draft Allocation"). If Purchaser disagrees with Supervalu's Draft Allocation, Purchaser may, within thirty (30) days after delivery of Supervalu's Draft Allocation, deliver a notice (the "Purchaser's Allocation Notice") to Supervalu to such effect, specifying those items as to which Purchaser disagrees and setting forth Purchaser's proposed allocation of the Purchase Price (and other relevant amounts), which allocation shall incorporate, reflect and be consistent with the Purchase Price Allocation Schedule. If Purchaser's Allocation Notice is duly delivered, Supervalu and Purchaser shall, during the twenty (20) days following such delivery, use commercially reasonable efforts to reach agreement on the disputed items or amounts in order to determine the allocation of the Purchase Price (and other relevant amounts). Insofar as Supervalu and Purchaser are unable to reach such agreement, each of

Supervalu and Purchaser may separately determine the allocation of the Purchase Price (and other relevant amounts) for Tax purposes; provided, however, that any such allocation shall incorporate, reflect and be consistent with the Purchase Price Allocation Schedule. If no Purchaser's Allocation Notice has been given or if the parties agree to an allocation of the Purchase Price (and other relevant amounts) pursuant to this Section 7.1(d), then the relevant allocation, including as adjusted pursuant to any agreement between Supervalu and Purchaser, if any (collectively, the "Allocation"), shall, subject to this Section 7.1, be conclusive and binding on all Parties for Tax purposes. Subject to the proviso set forth in Section 7.1(e), the Purchase Price Allocation Schedule shall be conclusive and binding on all Parties for Tax purposes. The Allocation shall be adjusted, as necessary, mutually by the Parties to reflect any subsequent adjustments to the Purchase Price pursuant to Section 7.9. Any such adjustment shall be allocated to the asset or assets (if any) to which such adjustment is attributable; provided, that to the extent there is or are no such asset or assets, such adjustment shall be allocated *pro rata* among the assets of the Save-A-Lot Entities deemed sold for U.S. federal income tax purposes. For purposes of this Agreement, the "Section 332 Liquidation Treatment" shall mean the treatment of any assets distributed, directly or indirectly, by the Save-A-Lot Entities to Supervalu pursuant to the Separation Agreement as having been distributed in the deemed Section 332 liquidation(s) resulting from the Section 336(e) Elections or Section 338(h)(10) Elections.

(e) Supervalu and Purchaser shall (and shall cause their Affiliates to) (i) prepare and file all federal, state, local and foreign Tax Returns (including the Section 336(e)/338(h)(10) Forms and, if applicable, IRS Form 8594) in a manner consistent with the Section 336(e) Elections or Section 338(h)(10) Elections, as applicable, the Purchase Price Allocation Schedule, the Section 332 Liquidation Treatment and, if applicable, the Allocation and (ii) not take any position inconsistent therewith on any Tax Return, in connection with any Tax Proceeding or otherwise in respect of Taxes, in each case, except to the extent otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any similar provision of applicable state, local or foreign Law); provided, however, that, in the case of a Tax Proceeding in which the relevant taxing authority initiates a challenge to the Section 336(e) Elections or Section 338(h)(10) Elections, the Purchase Price Allocation Schedule, the Section 332 Liquidation Treatment or, if applicable, the Allocation, nothing contained in this Section 7.1 shall prevent the Parties or their Affiliates from settling any such dispute with a taxing authority relating to the Section 336(e) Elections or Section 338(h)(10) Elections, the Purchase Price Allocation Schedule, the Section 332 Liquidation Treatment or, if applicable, the Allocation after making a reasonable, good faith effort to defend the Section 336(e) Elections or Section 338(h)(10) Elections, the Purchase Price Allocation Schedule, the Section 332 Liquidation Treatment and, if applicable, the Allocation; and provided, further, for the avoidance of doubt, nothing contained in this Agreement shall prevent Supervalu or Purchaser or their Affiliates from taking an inconsistent position with the Purchase Price Allocation Schedule or, if applicable, the Allocation, for financial accounting purposes.

7.2 Tax Indemnification by Supervalu. Effective as of and after the Closing Date, Supervalu shall pay or cause to be paid, and shall indemnify the Purchaser, and each of its Subsidiaries, (including the Save-A-Lot Entities after the Closing Date), their respective Affiliates (other than any Person that is an Affiliate solely by reason of common control), successors and permitted assigns (collectively, the "Purchaser Tax Indemnified Parties") and hold each Purchaser Tax Indemnified Party harmless from and against (a) any consolidated, combined or unitary Income Taxes of Supervalu or another member of the Supervalu Group; (b) any Taxes resulting from any breach of any covenant or agreement of Supervalu contained in this Agreement or the Separation Agreement; (c) any Taxes for which the Save-A-Lot Entities are liable (including, for the absence of doubt, as a transferee or successor) for any Pre-Closing Tax Period and any Taxes imposed on or with respect to the Save-A-Lot Assets (as defined in the Separation Agreement) for the Pre-Closing Tax Period; (d) any Taxes for which Supervalu is responsible under Section 7.11; (e) any Taxes of any Person (other than the Save-A-Lot Entities) for which any Save-A-Lot Entity is liable pursuant to a Tax sharing agreement the primary subject of which is Taxes (for the absence of doubt, other than commercial, business or financial leases, licenses, purchase agreements, partnership or joint venture agreements, employment or compensation agreements, Benefit Plans, swaps, hedges, Save-A-Lot Individual Agreements (as defined in the Separation Agreement), types of contracts described in the definition of Indebtedness or Section 3.15, and Business Material Contracts, and other than this Agreement, the Separation Agreement, and the Services Agreement) which contract was entered into by a Save-A-Lot Entity, Supervalu, or any of their Affiliates before the Closing; (f) any Taxes imposed on the Pre-Closing Restructuring steps set forth in Schedule 2.1(a) of the Separation Agreement (including for these purposes as part of the Pre-Closing Restructuring any such step completed through a delayed transfer contemplated by Section 2.4 (such step, a "Delayed Transfer") of the Separation Agreement) (but not including under this clause (f), for the absence of doubt, any Taxes for any Post-Closing Tax Period imposed as a consequence of the structure in place as a result of the Pre-Closing Restructuring, any Taxes for any Post-Closing Tax Period imposed on any action or transaction, or failure to act or transact, at or after the Closing (other than any Delayed Transfer), nor any Tax relating to the ownership of, or relating to or arising from the use or Tax basis of any Save-A-Lot Assets (as defined in the Separation Agreement) at or after the Closing nor any Taxes reported by Purchaser or any of its Affiliates on a Return for the Post-Closing Tax Period unless there is no reasonable basis not to report such Taxes on such Return); and (g) any costs and expenses, including reasonable legal fees and expenses, attributable to any Tax for which Supervalu is responsible pursuant to this Section 7.2; provided, however, that Supervalu shall not be required to pay or cause to be paid, or to indemnify or hold harmless the Purchaser Tax Indemnified Parties from and against (i) any Taxes to the extent Supervalu can establish that such Taxes were reflected as a reserve or liability in Working Capital or Indebtedness on the Final Post-Closing Statement reduced (but not below zero) by the amount of any payments in respect of such Tax made pursuant to Section 7.5(d), (ii) except in the case of Section 7.2(b), any Taxes for which Purchaser is responsible pursuant to Section 7.3(a), (b), (c) or (e), (iii) in the case of Section 7.2(c) above, Taxes arising in the ordinary course of business on the Closing Date (or, with respect to (i), (ii) or (iii), any costs and expenses, including reasonable legal fees and expenses, attributable thereto) or (iv) any costs or expenses incurred by Purchaser in exercising its rights pursuant to Section 7.6(b), or any costs and expenses incurred by Purchaser or its Affiliates that were paid to Supervalu to prepare Tax Returns for which Purchaser is responsible pursuant to Section 7.4, pursuant to the terms of the Services Agreement.

7.3 Tax Indemnification by Purchaser. Effective as of and after the Closing Date, Purchaser shall pay or cause to be paid, and shall indemnify each member of the Supervalu Group, their respective Affiliates (other than any Person that is an Affiliate by reason of common control), successors and permitted assigns (collectively, the "Seller Tax Indemnified Parties") and hold each Seller Tax Indemnified Party harmless from and against i) any Taxes resulting from any action or transaction by Purchaser, any of its Subsidiaries or any of the Save-A-Lot Entities outside of the ordinary course of business on the Closing Date after the Closing; ii) any Taxes resulting from any breach of any covenant or agreement of Purchaser contained in this Agreement or any breach of any covenant or agreement, occurring on or after the Closing Date, of Save-A-Lot contained in the Separation Agreement; iii) any Taxes for which Purchaser is responsible under Section 7.11; iv) any Taxes for which the Save-A-Lot Entities are liable (including, for the absence of doubt, as a transferee or successor) for any Post-Closing Tax Period and any Taxes imposed on or with respect to the Save-A-Lot Assets (as defined in the Separation Agreement) for the Post-Closing Tax Period; (e) any Taxes described in or covered by any of clauses (i) or (iii) of the proviso contained in Section 7.2; and (f) any costs and expenses, including reasonable legal fees and expenses, attributable to any Tax for which Purchaser is responsible pursuant to Section 7.3; provided, however, that Purchaser shall not be required to pay or cause to be paid, or to indemnify or hold harmless the Seller Tax Indemnified Parties from and against (i) except in the case of Section 7.3(a) and (b), any Taxes for which Supervalu is responsible pursuant to Section 7.2(b) and (ii) in the case of Section 7.3(d), any Taxes for which Supervalu is responsible pursuant to Section 7.2(a), (d), (e) or (f) (or, with respect to (i) or (ii), any costs and expenses, including reasonable legal fees and expenses attributable thereto).

7.4 Tax Returns.

(a) Supervalu shall timely prepare and file or shall cause to be timely prepared and filed in such manner as Supervalu shall determine (i) in its sole discretion, any combined, consolidated or unitary Tax Return that includes any member of the Supervalu Group, on the one hand, and any of the Save-A-Lot Entities, on the other hand (a "Combined Tax Return") and any other Tax Return of or that includes any member of the Supervalu Group, and (ii) consistent with Law, any Tax Return (other than any Tax Return described in clause (i) above) that is required to be filed by or with respect to any of the Save-A-Lot Entities that is due (including extensions) on or before the Closing Date. For the absence of doubt, notwithstanding anything to the contrary in this Agreement, Supervalu and any of its Affiliates may adopt the method of accounting described in Treasury Revenue Procedure 2015-56 (and any cost segregation and depreciation method changes pursuant to Treasury Revenue Procedures 2015-13 and 2016-29), which may apply to the Save-A-Lot Entities, Supervalu shall be entitled to retain any Tax Benefit resulting from such action and Supervalu shall not be required to make any payment to the Purchaser or any Purchaser Tax Indemnified Party resulting from such action.

(b) Purchaser shall not amend or revoke any Tax Return (or any notification or election relating thereto) for a Pre-Closing Tax Period or a Straddle Period without the prior written consent of Supervalu, not to be unreasonably withheld, conditioned or delayed.

(c) Except for any Tax Return described in Section 7.4(a), Purchaser shall prepare and timely file or cause to be prepared and timely filed all Tax Returns with respect to the Save-A-Lot Entities for the Pre-Closing Tax Period and any Straddle Period. In the case of any such Tax

Return for a Pre-Closing Tax Period or a Straddle Period, Purchaser shall prepare or cause to be prepared and timely file such Tax Return in a manner consistent with past practices, elections and methods of the Save-A-Lot Entities (or of Supervalu with respect to the Save-A-Lot Entities or the Save-A-Lot Assets, as defined in the Separation Agreement), except as otherwise required by Law. Purchaser shall deliver to Supervalu for its review, comment and approval (which approval shall not be unreasonably withheld, conditioned or delayed) a copy of such Tax Returns at least fifteen (15) days prior to the due date thereof (taking into account any extensions). Purchaser shall revise such Tax Returns to reflect any reasonable comments received from Supervalu not later than the later of five (5) days before the due date thereof (taking into account extensions) and ten (10) days following the date such Tax Returns are formally delivered to Supervalu by the Purchaser. Purchaser shall not amend or revoke any such Tax Returns (or any notification or election relating thereto) without the prior written consent of Supervalu, not to be unreasonably withheld, conditioned or delayed. At Supervalu's reasonable request and consistent with Law, Purchaser shall file, or cause to be filed, amended Tax Returns (for the absence of doubt, other than any Tax Returns described in Section 7.4(a)(i)) for Pre-Closing Tax Periods or Straddle Periods with respect to the Save-A-Lot Entities or Save-A-Lot Assets (as defined in the Separation Agreement) to obtain a cash Tax refund (or credit in lieu of a cash Tax refund) or other Tax Benefit that Supervalu is entitled to pursuant to this Agreement.

(d) Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or the Services Agreement, Supervalu shall not be required to provide any Person with any Tax Return or copy of any Tax Return (i) of Supervalu or a member of the Supervalu Group, (ii) of a consolidated, combined or unitary group that includes any member of the Supervalu Group or (iii) that is a Combined Tax Return or copy of a Combined Tax Return.

(e) For purposes of this Agreement, regarding Taxes and Tax Items relating to a Straddle Period, the portion of any Tax (or, except in the case of property Taxes, Tax Item) that is allocable to the Pre-Closing Tax Period will be: (i) in the case of property Taxes, deemed to be the amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days of such Straddle Period in the Pre-Closing Tax Period and the denominator of which is the number of calendar days in the entire Straddle Period, and (ii) in the case of all other Taxes, determined as though the taxable year of the relevant entity terminated at the close of business on the Closing Date.

7.5 Certain Tax Refunds, Credits and Carrybacks.

(a) Supervalu shall be entitled to any Tax Benefit arising from any Tax Item arising in respect of any liabilities or reserves included in the determination of Working Capital or Indebtedness on the Final Post-Closing Statement or arising in respect of any compensation for services (or payroll or similar Taxes) paid (in cash, Supervalu Equity Awards, Supervalu Common Stock or otherwise) by Supervalu, net of (i) any out-of-pocket expenses incurred by Purchaser or its Affiliates in obtaining such Tax Benefit and (ii) any Taxes paid or required to be paid by Purchaser or its Affiliates with respect to such Tax Benefit; provided, however, that Supervalu shall not be entitled to any Tax Benefit pursuant to this Section 7.5(a) that Purchaser can establish was itself included in the calculation of Working Capital on the Final Post-Closing Statement except to the extent of any payments in respect of such Tax Benefit made pursuant to Section 7.5(d). Purchaser

acknowledges and agrees that neither Purchaser nor any Purchaser Tax Indemnified Party shall claim any such Tax Item on any Tax Return; provided, however, that if any such Tax Item is not permitted by Law to be claimed on a Tax Return described in Section 7.4(a), then Purchaser shall, or shall cause its relevant Affiliates to, claim, to the extent legally able to claim, such Tax Item and Tax Benefit and pay to Supervalu the amount of any Tax Benefit resulting from such Tax Item to which Supervalu is entitled pursuant to this Section 7.5(a) within fifteen (15) days of the actual receipt or realization of such Tax Benefit.

(b) Supervalu shall be entitled to any cash refunds of or against any Taxes (i) that were paid or funded prior to the Closing by Supervalu, any Save-A-Lot Entity or any of their Affiliates, (ii) that were paid or funded (or reimbursed to a Purchaser Tax Indemnified Party) pursuant to or in accordance with Section 7.2 by Supervalu or its Affiliates, (iii) that were reflected as a liability or reserve in Working Capital or Indebtedness on the Final Post-Closing Statement (reduced (but not below zero) by the amount of any payments in respect of such liability made pursuant to Section 7.5(d)), (iv) of any member of the Supervalu Group or reported on a Combined Tax Return and paid by Supervalu or its Affiliates or (v) that would result from the carryforward or carryback of any Tax Item arising in a Pre-Closing Tax Period of any Save-A-Lot Entity to another Pre-Closing Tax Period (and, in each case, any credits received in lieu of such a refund); provided, however, that Supervalu shall not be entitled to any refunds to the extent Purchaser can establish that such refunds were reflected as an asset in Working Capital on the Final Post-Closing Statement reduced (but not below zero) by the amount of any payments in respect of such refund made pursuant to Section 7.5(d). Purchaser shall be entitled to any cash refunds (or credits in lieu thereof) of the Save-A-Lot Entities of or against any Taxes for the Post-Closing Tax Period other than refunds or credits to which Supervalu is entitled pursuant to the foregoing sentence, Section 7.5(a), Section 7.5(d) or Section 10.6. Each Party shall pay, or cause its Affiliates to pay, to the Party entitled to a refund or credit of Taxes under this Section 7.5(b), the amount of such refund or credit (including any interest paid thereon and net of any Taxes or other out-of-pocket costs to the Party receiving such refund or credit in respect of the receipt or accrual of such refund or credit) in readily available funds within fifteen (15) days of the actual receipt of the refund or credit or the application of such refund or credit against amounts otherwise payable. To the extent any refund or credit paid to a Party pursuant to this Section 7.5(b) is subsequently disallowed or required to be returned to the applicable Governmental Authority, such Party agrees promptly to repay the amount of such refund or credit, together with any interest, penalties or other additional amounts imposed by such Governmental Authority, to the other Party (or the Governmental Authority, as applicable).

(c) Purchaser shall not, and shall procure that its Affiliates do not, carry back any item of loss, deduction or credit which arises in any taxable period beginning after the Closing Date into any taxable period beginning on or before the Closing Date.

(d) On the two (2)-year anniversary of the Closing Date, Purchaser shall provide to Supervalu a schedule setting forth a reconciliation of (i) the amounts included in respect of Tax assets, on the one hand, and Tax liabilities and reserves, on the other hand, in the determination of the amount of Working Capital or Indebtedness set forth in the Final Post-Closing Statement and (ii) the actual Tax assets, on the one hand, and Tax liabilities and reserves, on the other hand, realized or incurred, respectively, from or to a Governmental Authority within such two (2)-year period (or that will be realized or incurred within the thirty (30) days following such second anniversary (in the case

of a Tax liability or reserve, pursuant to a written settlement agreement reached prior to such second anniversary)) by Purchaser or its Affiliates or any Purchaser Tax Indemnified Party (including, after the Closing, the Save-A-Lot Entities) in respect of the assets, on the one hand, and liabilities and reserves, on the other hand, respectively, described in clause (i). Supervalu shall promptly after such second anniversary pay to Purchaser the amount, if any, of the excess of the amount of assets described in clause (i) over the corresponding amount described in clause (ii) and Purchaser shall promptly after such second anniversary pay to Supervalu, as applicable, the amount, if any, of the excess of the amount of liabilities and reserves described in clause (i) over the corresponding amount described in clause (ii). Any dispute regarding the schedule required to be prepared by Purchaser or the amount payable, if any, by Supervalu or Purchaser pursuant to this Section 7.5(d) shall be resolved by the Independent Accounting Firm. The fees and expenses of the Independent Accounting Firm shall be borne equally by Supervalu, on the one hand, and Purchaser, on the other hand.

7.6 Tax Contests.

(a) If any taxing authority asserts a Tax Claim, then the Party to this Agreement first receiving notice of such Tax Claim promptly shall provide written notice thereof to the other Party to this Agreement; provided, however, that the failure of such Party to give such prompt notice shall not relieve the other Party of any of its obligations under this Article VII, except to the extent that the other Party is actually prejudiced by such failure. Such notice shall specify in reasonable detail the basis for such Tax Claim and shall include a copy of the relevant portion of any correspondence received from the taxing authority.

(b)

(i) In the case of a Tax Proceeding of or with respect to any of the Save-A-Lot Entities or the Save-A-Lot Assets (as defined in the Separation Agreement) for a Pre-Closing Tax Period (other than a Straddle Period), Supervalu shall have the exclusive right to control such Tax Proceeding in all respects; provided, however, that (except in the case of a Tax Proceeding described in Section 7.6(d)) if the resolution of any such Tax Proceeding would reasonably be expected to have a material adverse impact on Purchaser and its Affiliates, then (A) Supervalu shall consult with Purchaser before taking any significant action in connection with such Tax Proceeding and shall provide Purchaser with a timely and reasonably detailed account of each phase of such Tax Proceeding and (B) to the extent the resolution of such Tax Proceeding would bind Purchaser or any of its Affiliates for a Post-Closing Tax Period or would result in a material Tax liability of a Save-A-Lot Entity for a Pre-Closing Tax Period for which Purchaser is responsible pursuant to Section 7.3(a) or 7.3(b) or as a result of the last proviso in Section 10.2), then Supervalu shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed (provided that any costs or expenses incurred by Purchaser in exercising its rights pursuant to clauses (A) or (B) above shall be paid by Purchaser without reimbursement from Supervalu, notwithstanding Section 7.2).

(ii) In the case of a Tax Proceeding of or with respect to any of the Save-A-Lot Entities or the Save-A-Lot Assets (as defined in the Separation Agreement) for a Post-Closing Tax Period (other than a Straddle Period), Purchaser shall have the exclusive right to control such Tax Proceeding in all respects; provided, however, that if the resolution of any such Tax Proceeding would reasonably be expected to result in a material indemnity obligation of Supervalu pursuant to Section 7.2, then (A) Purchaser shall consult with Supervalu before taking any significant action in such Tax Proceeding in connection with the tax issue(s) that could give rise to an indemnity obligation of Supervalu and shall provide Supervalu with a timely and reasonably detailed account of each phase of such Tax Proceeding relevant to such issue(s), and (B) to the extent the resolution of such issue(s) in such Tax Proceeding would result in an indemnity obligation for Supervalu under Section 7.2, then Purchaser shall not settle, compromise or abandon any such Tax Proceeding with respect to such issue(s) without obtaining the prior written consent of Supervalu, which consent shall not be unreasonably withheld, conditioned or delayed. In the case of a Tax Proceeding of or with respect to a Purchaser Tax Indemnified Party (other than Purchaser or the Save-A-Lot Entities or their successors or permitted assigns) involving Taxes for which Supervalu would reasonably be expected to be responsible pursuant to Section 7.2, Purchaser shall, and shall procure that any Purchaser Tax Indemnified Party conducting such Tax Proceeding, conduct and defend such Tax Proceeding diligently and in good faith as if such Taxes were not subject to indemnification pursuant to this Agreement and were the only Taxes at issue in such Tax Proceeding.

(c) Purchaser shall have the right to control any Tax Proceeding of or with respect to any of the Save-A-Lot Entities for any Straddle Period (other than a Tax Proceeding described in Section 7.6(d)); provided, however, that if any such Tax Proceeding could have an adverse impact on Supervalu or any of its Affiliates (including as a result of any indemnity pursuant to this Agreement), then (i) Purchaser shall consult with Supervalu before taking any significant action in connection with such Tax Proceeding, (ii) Purchaser shall consult with Supervalu and offer Supervalu an opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Proceeding, and (iii) Purchaser shall not settle, compromise or abandon any such Tax Proceeding without obtaining the prior written consent of Supervalu, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or the Services Agreement, Supervalu shall have the exclusive right to control in all respects, and neither Purchaser nor any of its Affiliates shall be entitled to participate in, any Tax Proceeding with respect to (i) any Tax Return of Supervalu or a member of the Supervalu Group; (ii) any Tax Return of a consolidated, combined or unitary group that includes any member of the Supervalu Group; and (iii) any Combined Tax Return; provided that, if the resolution of any such Tax Proceeding would reasonably be expected adversely to impact Purchaser, any Save-A-Lot Entity or any of their respective Affiliates in any Post-Closing Tax Period, Supervalu shall provide written notice of such Tax Proceeding to Purchaser and promptly shall respond to any reasonable requests from Purchaser inquiring as to the status of such Tax Proceeding.

7.7 Cooperation and Exchange of Information.

(a) Each Party to this Agreement shall, and shall cause its Affiliates to, provide to the other Party to this Agreement such cooperation, documentation and information as either of them reasonably may request with respect to Tax matters, including in connection with (i) filing any Tax Return, amended Tax Return or claim for refund, (ii) determining a liability for Taxes or an indemnity or other obligation under this Article VII or a right to refund of Taxes or to a Tax Benefit or credit or (iii) conducting any Tax Proceeding. Such cooperation and information shall include providing necessary powers of attorney, copies of all relevant portions of relevant Tax Returns, together with all relevant portions of relevant accompanying schedules and relevant work papers, relevant documents relating to rulings or other determinations by taxing authorities and relevant records concerning the ownership and Tax basis of property and other information, which any such Party may possess. Each Party shall make its employees reasonably available on a mutually convenient basis at its cost to provide an explanation of any documents or information so provided.

(b) Each Party shall retain all Tax Returns, schedules and work papers, and all material records and other documents relating to Tax matters, of the relevant entities for their respective Tax periods ending on or prior to the Closing Date until the later of (x) the expiration of the statute of limitations for the Tax periods to which the Tax Returns and other documents relate, or (y) eight (8) years following the due date (without extension) for such Tax Returns.

7.8 Tax Sharing Agreements. On or before the Closing Date, the rights of the Save-A-Lot Entities against the members of the Supervalu Group and the obligations of the Save-A-Lot Entities to the members of the Supervalu Group pursuant to all Tax sharing agreements or arrangements (other than this Agreement, the Separation Agreement and the Services Agreement), if any, to which any of the Save-A-Lot Entities, on the one hand, and any member of the Supervalu Group, on the other hand, are parties, shall terminate, and neither any member of the Supervalu Group, on the one hand, nor any of the Save-A-Lot Entities, on the other hand, shall have any rights against or obligations to each other after the Closing in respect of such agreements or arrangements.

7.9 Tax Treatment of Payments. Except to the extent otherwise required by Law, Supervalu, Purchaser, the Save-A-Lot Entities and their respective Affiliates shall treat any and all payments under Article IV of the Separation Agreement or under Section 2.11, this Article VII or Article X of this Agreement as an adjustment to the Purchase Price or as a payment of an assumed or retained liability for Tax purposes.

7.10 Certain Tax Elections. Purchaser shall not make, and shall cause its Affiliates (including the Save-A-Lot Entities) not to make, any election with respect to any Save-A-Lot Entity (including any entity classification election pursuant to Treasury Regulations Section 301.7701-3), which election would be effective on or prior to the Closing Date or could affect any transaction occurring on or prior to the Closing Date.

7.11 Transfer Taxes. Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or the Services Agreement, Purchaser shall pay, when due, and be responsible for (and reimburse Supervalu and its Affiliates for any such Taxes, fees and costs previously paid by them), any sales, use, transfer, real property transfer, registration, documentary, stamp, value added or similar Taxes and related fees and costs ("Transfer Taxes") imposed on the Merger or the sale of the Units pursuant thereto; provided that Supervalu will be responsible for any Transfer Taxes imposed on (and reimburse Purchaser and its Affiliates for any such Taxes, fees and costs previously paid by them) the Pre-Closing Restructuring steps set forth in Schedule 2.1(a) to the Separation Agreement (including for these purposes any Transfer Taxes imposed on a Delayed Transfer). The Party responsible under applicable Law for filing the Tax Returns with respect to such Transfer Taxes shall prepare and timely file such Tax Returns and promptly provide a copy of such Tax Return to the other Party. Supervalu and Purchaser shall, and shall cause their respective Affiliates to, cooperate to timely prepare and file any Tax Returns or other filings relating to such Transfer Taxes, including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes.

7.12 Timing of Payments. Any indemnity payment required to be made to the other Party pursuant to this Article VII shall be made within ten (10) days after the indemnified Party makes written demand upon the indemnifying Party, but in no case earlier than two (2) days prior to the date on which the relevant Taxes or other amounts are required to be paid to the applicable taxing authority.

7.13 Tax Matters Coordination(c) . Notwithstanding anything to the contrary in this Agreement, indemnification with respect to Taxes and the procedures relating thereto shall be governed exclusively by this Article VII, Section 10.1(a), Section 10.1(c), the final proviso in Section 10.2, the final proviso in Section 10.3, Section 10.5, Section 10.6, Section 10.7, Section 10.8 and Section 10.9, and the provisions of Article X (other than Section 10.1(a), Section 10.1(c), the final proviso in Section 10.2, the final proviso in Section 10.3, Section 10.5, Section 10.6, Section 10.7, Section 10.8 and Section 10.9) shall not apply. The indemnification obligations contained in this Article VII shall survive the Closing Date until the expiration of the applicable statutory periods of limitation plus ninety (90) days. No Person seeking indemnification pursuant to this Article VII shall be entitled to assert any indemnification claim after the expiration of the applicable survival period referenced in this Section 7.13; provided, however, that if, prior to such expiration of the applicable survival period, a notice of claim shall have been given to the Person from whom indemnification is sought in accordance with this Article VII, the Person seeking indemnification shall continue to have the right to assert such indemnification until such claim for indemnification has been satisfied or otherwise resolved as provided in this Article VII.

## ARTICLE VIII

## CONDITIONS TO OBLIGATIONS TO CLOSE

8.1 Conditions to Obligation of Each Party to Close. The respective obligations of each Party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver as of the Closing Date of all of the following conditions:

(a) *Antitrust Approvals.* The waiting period applicable to the transactions contemplated by this Agreement under the HSR Act shall have expired or early termination or approval shall have been granted.

(b) *Legal Restraints.* No Governmental Authority of competent authority shall have issued an Order or enacted a Law that remains in effect and makes illegal or prohibits the consummation of any of the transactions contemplated by this Agreement, the Separation Agreement or the Services Agreement, including the Merger (collectively, the "Legal Restraints").

8.2 Conditions to Purchaser's Obligation to Close. Purchaser's obligation to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver as of the Closing Date of all of the following conditions:

(a) *Representations and Warranties.* (i) The representations and warranties of Supervalu set forth in Section 3.1(a) (Organization and Qualification; Subsidiaries), Section 3.2(a) (Capitalization of the Save-A-Lot Entities), Section 3.3 (Authority Relative to this Agreement) and Section 3.20 (Brokers) shall be true and correct other than in *de minimis* respects as of the Closing Date as if made on and as of the Closing Date (provided that representations and warranties that are made as of a specific date shall be tested only on and as of such date) and (ii) each of the other representations and warranties of Supervalu contained in this Agreement (other than Section 3.6(b)) shall be true and correct (without giving regard to any materiality or "Business Material Adverse Effect" qualifications set forth therein) as of the Closing Date as if made on and as of the Closing Date (provided that representations and warranties that are made as of a specific date shall be tested only on and as of such date), except where the failure of such representations and warranties described in this clause (ii) to be true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a Business Material Adverse Effect.

(b) *Covenants and Agreements.* The covenants and agreements of Supervalu and Save-A-Lot to be performed or complied with on or before the Closing Date in accordance with this Agreement shall have been performed or complied with in all material respects.

(c) *Officer's Certificate.* Purchaser shall have received a certificate, dated as of the Closing Date and signed on behalf of Supervalu by an executive officer of Supervalu, stating that the conditions specified in Section 8.2(a) and Section 8.2(b) have been satisfied.

(d) *No Business Material Adverse Effect.* Since the date of this Agreement, there shall not have occurred any event, change, circumstance or effect that, individually or in the aggregate, has had, or would reasonably be expected to have, a Business Material Adverse Effect.

8.3 Conditions to Save-A-Lot Obligation to Close. The obligations of Save-A-Lot to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver as of the Closing Date of all of the following conditions:

(a) *Representations and Warranties.* (i) The representations and warranties of Purchaser and Merger Sub set forth in Section 4.1 (Organization and Qualification; Subsidiaries), Section 4.2 (Authority Relative to this Agreement) and Section 4.5 (Brokers) shall be true and correct other than in *de minimis* respects as of the Closing Date as if made on and as of the Closing

Date (provided that representations and warranties that are made as of a specific date shall be tested only on and as of such date), (ii) the representations and warranties of Purchaser and Merger Sub set forth in Section 4.6(h) (Solvency) shall be true and correct as of the Closing Date as if made on and as of the Closing Date (provided that representations and warranties that are made as of a specific date shall be tested only on and as of such date) and (iii) each of the other representations and warranties of Purchaser and Merger Sub contained in this Agreement shall be true and correct as of the Closing Date (without giving regard to any materiality or "Purchaser Material Adverse Effect" qualifications set forth therein) as if made on and as of the Closing Date (provided that representations and warranties that are made as of a specific date shall be tested only on and as of such date), except where the failure of such representations and warranties described in this clause (iii) to be true and correct would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

(b) *Covenants and Agreements.* The covenants and agreements of Purchaser and Merger Sub to be performed or complied with on or before the Closing Date in accordance with this Agreement shall have been performed or complied with in all material respects.

(c) *Officer's Certificate.* Save-A-Lot shall have received a certificate, dated as of the Closing Date and signed on behalf of Purchaser and Merger Sub by an executive officer of Purchaser and Merger Sub , stating that the conditions specified in Section 8.3(a) and Section 8.3(b) have been satisfied.

8.4 Frustration of Closing Conditions. None of Save-A-Lot, Purchaser or Merger Sub may rely on the failure of any condition set forth in Sections 8.2 or 8.3, as the case may be, if such failure was caused by such Party's failure to comply with any provision of this Agreement.

## ARTICLE IX

## TERMINATION

9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of Supervalu and Purchaser;

(b) by either Supervalu or by Purchaser, if:

(i) the Closing shall not have occurred on or before 11:59 p.m., New York time, on February 16, 2017 (the "Outside Date"); provided, however, that if all of the conditions to the Closing, other than the conditions set forth in Section 8.1(a) or Section 8.1(b) (to the extent that such Legal Restraint is in respect of a consent, authorization or approval required under Section 8.1(a)), shall have been satisfied or waived or shall be capable of being satisfied on such date, or the Marketing Period has not yet been completed, the Outside Date may be extended by either Party from time to time on the Outside Date, the latest of any of which dates shall thereafter be deemed to be the Outside Date; provided, however, that in no event shall the Outside Date be extended past April 16, 2017; provided, further, that the right to terminate this Agreement under this clause (i) shall not be available to any Party to this Agreement whose failure to perform any material covenant or obligation

under this Agreement has been the cause of, or has resulted in, the failure of the transactions contemplated by this Agreement to occur on or before such date;

(ii) any Legal Restraint permanently preventing or prohibiting consummation of the Merger shall be in effect and shall have become final and nonappealable; provided, that the Party seeking to terminate this Agreement pursuant to this Section 9.1(b)(ii) shall have complied with its obligations under Section 5.3 with respect to any such Legal Restraint; or

(iii) any Governmental Authority that must grant a consent, authorization or approval required by Section 8.1(a) shall have denied such grant and such denial shall have become final and nonappealable; provided, that the Party seeking to terminate this Agreement pursuant to this Section 9.1(b)(iii) shall have complied with its obligations under Section 5.3 with respect to such consent, authorization or approval.

(c) by Supervalu, if:

(i) (A) the Marketing Period has ended and all of the conditions set forth in Sections 8.1 and 8.2 have been satisfied (other than those conditions that by their nature are to be satisfied by actions taken at the Closing), and (B) after receipt of written confirmation from Supervalu that all conditions set forth in Sections 8.1 and 8.2 have been satisfied or that it is waiving any unsatisfied conditions in Sections 8.1 and 8.2 and that Supervalu is ready, willing and able to consummate the Closing, Purchaser fails to consummate the Closing by the date that Closing should have occurred pursuant to Section 2.3;

(ii) Purchaser shall have breached in any material respect any of its representations or warranties contained in this Agreement, and such breach (A) would give rise to the failure of a condition set forth in Section 8.3(a), and (B) (1) is incapable of being cured prior to the Outside Date or (2) has not been cured prior to the date that is thirty (30) days from the date that Purchaser is notified in writing by Supervalu of such breach; provided that the right to terminate this Agreement pursuant to this Section 9.1(c)(ii) shall not be available to Supervalu if Supervalu is then in breach of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure of the conditions set forth in Sections 8.2(a) or 8.2(b) to be satisfied;

(iii) Purchaser shall have breached or failed to perform in any material respect any of its covenants or agreements contained in this Agreement, and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 8.3(b), and (B) (1) is incapable of being cured prior to the Outside Date or (2) has not been cured prior to the date that is thirty (30) days from the date that Purchaser is notified in writing by Supervalu of such breach or failure to perform provided that the right to terminate this Agreement pursuant to this Section 9.1(c)(iii) shall not be available to Supervalu if Supervalu is then in breach of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure of the conditions set forth in Sections 8.2(a) or 8.2(b) to be satisfied.

(iv) if the written consent of Purchaser (in its capacity as the sole stockholder of Merger Sub) irrevocably approving the consummation of the transactions contemplated by this Agreement, including the Merger, shall not have been delivered to Merger Sub, with a copy concurrently to Supervalu, within twenty-four (24) hours of the execution of this Agreement.

(d) by Purchaser, if:

(i) Supervalu shall have breached in any material respect any of its representations or warranties contained in this Agreement, and such breach (A) would give rise to the failure of a condition set forth in Section 8.2(a), and (B) (1) is incapable of being cured prior to the Outside Date or (2) has not been cured prior to the date that is thirty (30) days from the date that Supervalu is notified in writing by Purchaser of such breach; provided that the right to terminate this Agreement pursuant to this Section 9.1(d)(i) shall not be available to Purchaser if Purchaser is then in breach of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure of the conditions set forth in Section 8.3(a) or 8.3(b) to be satisfied; or

(ii) Supervalu shall have breached or failed to perform in any material respect any of its covenants or agreements contained in this Agreement, and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 8.2(b), and (B) (1) is incapable of being cured prior to the Outside Date or (2) has not been cured prior to the date that is thirty (30) days from the date that Supervalu is notified in writing by Purchaser of such breach or failure to perform; provided that the right to terminate this Agreement pursuant to this Section 9.1(d)(ii) shall not be available to Purchaser if Purchaser is then in breach of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure of the conditions set forth in Section 8.3(a) or 8.3(b) to be satisfied.

9.2 Notice of Termination. In the event of termination of this Agreement by either or both of Supervalu and Purchaser pursuant to Section 9.1, written notice of such termination shall be given by the terminating Party to the other.

9.3 Effect of Termination. In the event of termination of this Agreement by either or both of Supervalu and Purchaser pursuant to Section 9.1, this Agreement shall terminate and become void and have no effect, and there shall be no liability on the part of any Party to this Agreement or their respective Affiliates or any other Purchaser Related Parties or Supervalu Related Parties, except as set forth in the Confidentiality Agreement; provided that (a) nothing in this Agreement shall relieve Supervalu or Save-A-Lot from liability for any Fraud or intentional breach of this Agreement or intentional failure to perform its obligations under this Agreement and (b) subject to Section 9.4(d) (including the limitation on liability set forth therein) in the case of Purchaser, the termination of this Agreement under circumstances in which the Reverse Termination Fee is not payable pursuant to Section 9.4(a) shall not relieve Purchaser for liability for any willful and intentional breach of this Agreement. Notwithstanding anything to the contrary contained herein, the provisions of Section 5.2(a) (Confidentiality), the second sentence of Section 5.3(e) (Required Actions), Section 9.4 (Reverse Termination Fee), Article XI (General Provisions) and this Section 9.3 shall survive any termination of this Agreement, and nothing in this Agreement shall relieve either Party hereto

from liability for failure to perform the obligations thereunder. For purposes of this Agreement, "willful and intentional breach" shall mean a deliberate act or a deliberate failure to act, which act or deliberate failure to act was undertaken with the intent or knowledge (actual or constructive) that such act or failure to act would be, or would reasonably be expected to cause, a material breach of this Agreement.

9.4 Reverse Termination Fee.

(a) If this Agreement is validly terminated by Supervalu pursuant to Section 9.1(c)(i), or 9.1(c)(ii) or 9.1(c)(iii) (each a "Specified Termination"), then Purchaser shall pay by wire transfer of immediately available funds, to an account or accounts designated by Supervalu, within two (2) Business Days after the date on which this Agreement is so terminated, an amount in cash equal to $88,725,000 (the "Reverse Termination Fee").

(b) Each Party acknowledges that the agreements contained in this Section 9.4 are an integral part of the transactions contemplated by this Agreement and that, without these agreements, the other Party would not enter into this Agreement. Accordingly, if Purchaser fails promptly to pay the amounts due pursuant to this Section 9.4, and, in order to obtain such payments, Supervalu commences a suit that results in a judgment against Purchaser for the amounts set forth in this Section 9.4, Purchaser will pay to Supervalu, from the date such payment was required to be made, the Interest Rate on the amounts set forth in this Section 9.4 and Supervalu's reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with such suit.

(c) Supervalu agrees that in the event that (i) Supervalu effects a Specified Termination and (ii) Supervalu receives full payment of the Reverse Termination Fee, the remedy provided for in Section 9.4(a) shall thereafter be the sole and exclusive remedy of Supervalu against the Purchaser Related Parties for any Losses suffered or Liabilities incurred as a result of the failure of the Merger to be consummated or for a breach or failure to perform hereunder or otherwise, and upon payment of such amount, none of the Purchaser Related Parties shall have any further liability or obligation relating to or arising out of this Agreement, the Commitment Letters or the Guaranty. For the avoidance of doubt, the preceding sentence shall not limit the rights of Supervalu under Section 11.11 prior to the satisfaction of the conditions in clauses (i) and (ii) of the preceding sentence.

(d) In connection with any Loss suffered as a result of any willful and intentional breach of this Agreement by Purchaser, other than in a circumstance in which Supervalu is entitled to receive the Reverse Termination Fee pursuant to Section 9.4(a), Supervalu agrees that the maximum aggregate Liability of Purchaser shall be limited to an amount equal to the amount of the Reverse Termination Fee, and in no event shall Supervalu be entitled to seek or obtain any recovery or judgment in excess of such amount; provided that nothing in this Section 9.4(d) shall limit any rights of Supervalu or its Affiliates under Article X after the Closing (other than with respect to any such breach with respect to Section 5.11 or Purchaser's or Merger Sub's obligation to consummate the Closing) or under Section 11.11 prior to the termination of this Agreement; provided, further, that in no event shall Supervalu or its Affiliates be entitled to both specific performance under Section 11.11 and recovery of Losses pursuant to this Section 9.4(d).

(e) In no event shall Purchaser be required to pay the Reverse Termination Fee on more than one occasion. In the event the Reverse Termination Fee is payable pursuant to this Section 9.4, the receipt of the Reverse Termination Fee, together with any amounts payable pursuant to Section 9.4(b), if any, shall, subject to Section 9.4(c), be deemed to be liquidated damages for any and all Losses suffered or Liabilities incurred by Supervalu or any other person in connection with this Agreement, the Commitment Letters or the Guaranty (and the termination thereof), the transactions contemplated hereby and thereby (and the abandonment or termination thereof) or any matter forming the basis for such termination, and upon payment of the Reverse Termination Fee, neither Supervalu nor any other Person shall be entitled to bring or maintain any claim or Action against Purchaser or the Purchaser Related Parties arising out of or in connection with this Agreement, the Commitment Letters or the Guaranty, any of the transactions contemplated hereby or thereby (or the abandonment or termination thereof) or any matters forming the basis for such termination.

9.5 Extension; Waiver. At any time prior to the Closing, either Supervalu, on the one hand, or Purchaser, on the other hand, may (a) extend the time for performance of any of the obligations or other acts of the other, (b) waive any inaccuracies in the representations and warranties of the other contained in this Agreement or in any document delivered pursuant to this Agreement or (c) waive compliance with any of the agreements or conditions of the other contained in this Agreement. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party granting such extension or waiver.

## ARTICLE X

## INDEMNIFICATION

10.1 Survival of Representations, Warranties, Covenants and Agreements.

(a) The representations and warranties of Supervalu contained in this Agreement shall survive the Closing for purposes of Section 10.2 and shall terminate at the close of business on March 31, 2018; provided, however, that (i) the representations and warranties made pursuant to Section 3.13 (Taxes) (and, insofar as they relate to Tax matters, the representations and warranties made pursuant to Section 3.5 and 3.17) shall not survive the Closing, (ii) the representations and warranties made pursuant to Section 3.1(a) (Organization and Qualification), Section 3.2(a) (Capitalization of the Save-A-Lot Entities), Section 3.3 (Authority Relative to this Agreement), and Section 3.20 (Brokers) shall survive the Closing for purposes of Section 10.2 and shall terminate at the close of business on the date that is ninety (90) days after the expiration of the applicable statutory periods of limitation and (iii) the representations and warranties contained in Section 3.14 (Environmental Matters) shall survive the Closing for purposes of Section 10.2 and shall terminate at the close of business on the date that is three (3) years following the Closing.

(b) The representations and warranties of Purchaser and Merger Sub contained in this Agreement shall survive the Closing for the purposes of Section 10.3 and shall terminate at the close of business on March 31, 2018; provided, however, that the representations and warranties made pursuant to Section 4.1 (Organization and Qualification; Subsidiaries), Section 4.2 (Authority

Relative to this Agreement), Section 4.5 (Brokers) and Section 4.6(h) (Solvency) shall survive the Closing for purposes of Section 10.2 and shall terminate at the close of business on the date that is ninety (90) days after the expiration of the applicable statutory periods of limitation. Written notice of a claim must be given by Supervalu to Purchaser in accordance with the provisions hereof prior to the expiration of the applicable representations and warranties.

(c) No covenant or agreement contained herein that is to be performed only on or prior to the Closing Date shall be required to be performed following the Closing unless otherwise expressly agreed by the Parties; provided, however, that the foregoing shall in no respect limit the rights of the parties to seek indemnification hereunder until March 31, 2018 for any breach of such covenant or agreement occurring on or before the Closing Date. All other covenants and agreements shall survive the Closing in accordance with its terms until performed to the extent such covenant or agreement is to be performed after the Closing Date.

(d) No Person seeking indemnification pursuant to this Article X shall be entitled to assert any indemnification claim after the expiration of the applicable survival period referenced in this Section 10.1 (and each Party hereby waives any right to seek such indemnification after the expiration of such applicable survival period); provided, however, that if, prior to such expiration of the applicable survival period, a notice of claim shall have been given to the Person from whom indemnification is sought in accordance with this Agreement, the Person seeking indemnification shall continue to have the right to assert such indemnification until such claim for indemnification has been satisfied or otherwise resolved as provided in this Article X.

10.2 Indemnification by Supervalu.

(a) Subject to the provisions of this Article X and except with respect to Taxes, effective as of and after the Closing Date, Supervalu shall indemnify, defend and hold harmless Purchaser and its Affiliates and their respective managers, officers, directors, employees, successors and assigns (collectively, the "Purchaser Indemnified Parties"), from and against any and all Losses actually incurred or suffered by any of the Purchaser Indemnified Parties, to the extent arising out of or relating to (i) any inaccuracy in or breach of any representation or warranty of Supervalu or Save-A-Lot, either on the date hereof or at and as of the Closing as though made at and as of such time (or, if made as of a specific date, at and as of such date), in each case contained (A) in this Agreement, without giving effect to, for the purpose of determining the existence of any inaccuracy or breach of such representation or warranty (except for (x) those representations and warranties set forth in Section 3.10, the first sentence of Section 3.12(a), the first sentence of Section 3.12(b), Section 3.15(a), Section 3.15(b), Section 3.16(a), Section 3.17 and the first two sentences of Section 3.22(a), to the extent such representations and warranties concern the listing of items in the Save-A-Lot Disclosure Schedules or that specified items have been made available (the "Excluded Listing Representations"), and (y) the representations and warranties set forth in Sections 3.5 and 3.6(b)) and for the purpose of determining the amount of any Losses actually incurred or suffered by any of the Purchaser Indemnified Parties, any materiality, Business Material Adverse Effect or other similar qualification as to materiality (but not Knowledge qualifications or dollar thresholds) contained in or otherwise applicable to such representation or warranty, or (B) in the certificate delivered pursuant to Section 8.2(c) without giving effect to, for the purpose of determining any breach of such certificate (except to the extent such breach relates to (x) the Excluded Listing Representations or (y) the

representations and warranties set forth in Sections 3.5 and 3.6(b)) and for the purpose of determining the amount of any Losses actually incurred or suffered by any of the Purchaser Indemnified Parties, the Business Material Adverse Effect qualifications set forth in Section 8.2(a), or (ii) any breach of any covenant or agreement of Supervalu or Save-A-Lot contained in this Agreement. Furthermore, with respect to breaches of the warranties set forth in Sections 3.5 and 3.6(b), following a determination of a breach or inaccuracy in any such representation or warranty, for the purpose of determining the amount of any Losses actually incurred or suffered by any of the Purchaser Indemnified Parties, no effect shall be given to any materiality, Business Material Adverse Effect or similar qualification as to materiality (but not Knowledge qualifications or dollar thresholds) contained in or otherwise applicable to such representation or warranty.

(b) Notwithstanding any other provision to the contrary:

(i) Supervalu shall not be required to indemnify, defend or hold harmless any Purchaser Indemnified Party against, or reimburse any Purchaser Indemnified Party for, any Losses pursuant to Section 10.2(a)(i), (A) to the extent such Losses were included as "Current Liabilities" in Working Capital or were included in Indebtedness and are established by the applicable Indemnifying Party to have been reflected or reserved for in on the Final Post-Closing Statement; (B) except for Losses to the extent arising out of or related to any breach of Section 3.15(a)(xii) (which are addressed in clause (D) below), unless such claim or series of related claims (arising from related facts or circumstances) involve Losses in excess of $1,000,000 (the "De Minimis Amount") and if such Losses do not exceed the De Minimis Amount, such Losses shall not be applied to or considered for purposes of calculating the aggregate amount of the Purchaser Indemnified Parties' Losses pursuant to Section 10.2(b)(i)(C) (provided that, for the avoidance of doubt, Supervalu shall be liable from the first dollar of any claim or series of related claims (arising from related facts or circumstances) that exceeds $1,000,000, subject to the other limitations set forth in this Article X); (C) except for Losses to the extent arising out of or related to any breach of Section 3.15(a)(xii) (which are addressed in clause (D) below), until the aggregate amount of such Losses of the Purchaser Indemnified Parties exceeds $13,650,000 (the "Deductible"), after which Supervalu shall be obligated for all the Purchaser Indemnified Parties' Losses pursuant to Section 10.2(a)(i) in excess of the Deductible, subject to Sections 10.2(b)(i)(A) and (B) and Section 10.2(b)(ii); or (D) with respect to Losses to the extent arising out of or related to any breach of Section 3.15(a)(xii), unless and until the aggregate amount of all Losses to the extent arising out of or related to all breaches of Section 3.15(a)(xii) exceeds $500,000, after which Supervalu shall be liable from the first dollar of all Losses to the extent arising out of or related to all breaches of Section 3.15(a)(xii); and

(ii) the cumulative indemnification obligation of Supervalu pursuant to Section 10.2(a)(i) shall in no event exceed, in aggregate, $102,375,000 (the "Cap");

provided, that neither the De Minimis Amount nor the Deductible nor the Cap shall apply to any claim involving Losses resulting from Fraud or arising out of or relating to a breach of the representations and warranties set forth in Section 3.1(a) (Organization and Qualification), Section 3.2(a) (Capitalization of the Save-A-Lot Entities), Section 3.3 (Authority Relative to this Agreement)

and Section 3.20 (Brokers); provided, further, that the cumulative indemnification obligation of Supervalu this Agreement (except pursuant to Section 7.2(a)) shall not exceed the Purchase Price.

10.3 Indemnification by Purchaser.

(a) Subject to the provisions of this Article X and except with respect to Taxes, effective at and after the Closing Date, Purchaser and the Save-A-Lot Entities shall indemnify, defend and hold harmless Supervalu and its Affiliates and their respective managers, officers, directors, employees, successors and assigns (collectively, the "Seller Indemnified Parties"), from and against any and all Losses actually incurred or suffered by any of the Seller Indemnified Parties to the extent arising out of or relating to (i) any inaccuracy in or breach of any representation or warranty of Purchaser or Merger Sub, either on the date hereof or at and as of the Closing as though made at and as of such time (or, if made as of a specific date, at and as of such date), in each case contained (A) in this Agreement without giving effect to, for the purpose of determining the existence of any inaccuracy or breach of such representation or warranty (except for those representations and warranties to the effect that specified items have been made available) and for the purpose of determining the amount of any Losses actually incurred or suffered by any of the Seller Indemnified Parties, any materiality, Purchaser Material Adverse Effect or other similar qualification as to materiality (but not Knowledge qualifications or dollar thresholds) contained in or otherwise applicable to such representation or warranty, or (B) in the certificate delivered under Section 8.3(c) without giving effect to, for the purpose of determining any breach of such certificate (except to the extent such breach relates to the representations and warranties to the effect that specified items have been made available) and for the purpose of determining the amount of any Losses actually incurred or suffered by any of the Seller Indemnified Parties, the Purchaser Material Adverse Effect qualifications set forth in Section 8.3(a); (ii) any breach of any covenant or agreement of Purchaser or Merger Sub contained in this Agreement; or (iii) any Losses to the extent such Losses were included as "Current Liabilities" in Working Capital or included in Indebtedness and, in each case, are established by the applicable Indemnifying Party to have been reflected or reserved for on the Final Post-Closing Statement.

(b) Notwithstanding any other provision to the contrary:

(i) Purchaser shall not be required to indemnify, defend or hold harmless any Seller Indemnified Party against, or reimburse any Seller Indemnified Party for, any Losses pursuant to Section 10.3(a)(i), (A) unless such claim or series of related claims involve Losses in excess of the De Minimis Amount and if such Liabilities do not exceed the De Minimis Amount, such Losses shall not be applied to or considered for purposes of calculating the aggregate amount of the Seller Indemnified Parties' Losses pursuant to Section 10.3(b)(i)(B); or (B) until the aggregate amount of such Losses of the Seller Indemnified Parties exceeds the Deductible, after which Purchaser shall be obligated for all the Seller Indemnified Parties' Losses pursuant to Section 10.3(a)(i) in excess of the Deductible, subject to Section 10.3(b)(i)(A) and Section 10.3(b)(ii); and

(ii) the cumulative indemnification obligation of Purchaser pursuant to Section 10.3(a)(i) shall in no event exceed the Cap;

provided, that neither the De Minimis Amount nor the Deductible nor the Cap shall apply to any claim involving Losses resulting from Fraud or arising out of or relating to a breach of the representations and warranties set forth in Section 4.1 (Organization and Qualification; Subsidiaries), Section 4.2 (Authority Relative to this Agreement), Section 4.5 (Brokers) and Section 4.6(h) (Solvency); provided, further, that the cumulative indemnification obligation of Purchaser under this Agreement shall not exceed the Purchase Price.

10.4 Indemnification Procedures.

(a) A Person that may be entitled to be indemnified under this Agreement (the "Indemnified Party") shall promptly (and in any event within ten (10) Business Days) notify the Party or Parties liable for such indemnification (the "Indemnifying Party") in writing of any pending or threatened claim or demand asserted by a third party that the Indemnified Party has determined has given or would reasonably be expected to give rise to a right of indemnification under such agreement (such claim being a "Third Party Claim"); provided, that the failure to provide such notice shall not relieve the Indemnifying Party from any of its obligations under this Article X except if and to the extent that the Indemnifying Party is actually prejudiced by such failure, it being agreed that any such notice must describe in reasonable detail the facts and circumstances with respect to the subject matter of such claim or demand and the section purportedly breached and must be delivered prior to the expiration of any applicable survival period specified in Section 10.1 for such representation, warranty, covenant or agreement, as applicable.

(b) Upon receipt of a notice of a Third Party Claim for indemnity from an Indemnified Party pursuant to Section 10.2(a) or Section 10.3(a), the Indemnifying Party will be entitled, by notice to the Indemnified Party delivered within thirty (30) Business Days of the receipt of notice of such Third Party Claim, to assume the defense and control of such Third Party Claim (at the expense of such Indemnifying Party); provided that the Indemnifying Party shall allow the Indemnified Party a reasonable opportunity to participate in the defense of such Third Party Claim with the Indemnified Party's own counsel and at its own expense. If the Indemnifying Party does not assume the defense and control of any Third Party Claim pursuant to this Section 10.2(b), the Indemnified Party shall be entitled to assume and control such defense, but the Indemnifying Party may nonetheless participate in the defense of such Third Party Claim with its own counsel and at its own expense. If the Indemnifying Party assumes the defense and control of a Third Party Claim, the Indemnifying Party shall be entitled to select counsel, contractors and consultants of recognized standing and competence reasonably acceptable to the Indemnified Party and shall use commercially reasonable efforts in the defense or settlement of such Third Party Claim. Purchaser or Supervalu, as the case may be, shall, and shall cause each of their Affiliates and representatives to, reasonably cooperate with the Indemnifying Party in the defense of any Third Party Claim, including by furnishing non-privileged books and records, personnel and witnesses, as appropriate for any defense of such Third Party Claim at the Indemnifying Party's sole cost and expense. The Indemnifying Party shall not consent to a settlement of, or the entry of any judgment arising from, any Third Party

Claim, without the prior written consent of the Indemnified Party (which shall not be unreasonably withheld, conditioned or delayed) unless such settlement or judgment does not (x) involve any injunctive relief or finding or admission of any violation of Law or admission of any wrongdoing by any Indemnified Party or (y) result in any Losses to the Indemnified Party in excess of the Cap; provided, further, that the Indemnifying Party shall pay or cause to be paid all amounts in such settlement or judgment (subject to the limitations set forth in Section 10.2(b) and Section 10.3(b)). No Indemnified Party will consent to the entry of any judgment or enter into any settlement or compromise with respect to a Third Party Claim without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld, conditioned or delayed).

10.5 Exclusive Remedy and Release. Except with respect to (i) the Services Agreement, (ii) the Separation Agreement, (iii) the matters covered by Sections 2.9 through 2.11, and (iv) the right to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and the Services Agreement and to enforce specifically the terms and provisions hereof and thereof as provided for and subject to the limitations set forth in Section 11.11, Purchaser and Supervalu acknowledge and agree that, following the Closing, the indemnification provisions of Sections 7.2, 7.3, 10.2 and 10.3 shall be the sole and exclusive remedies of Supervalu, Purchaser and their respective Affiliates for any Losses (including any Losses from claims for breach of contract, warranty, tortious conduct (including negligence) or otherwise and whether predicated on common law, statute, strict liability, or otherwise but excluding claims for Fraud) that each Party may at any time suffer or incur, or become subject to, as a result of, or in connection with the Merger or the other transactions contemplated hereby, including any breach of any representation or warranty in this Agreement by any Party, or any failure by any Party to perform or comply with any covenant or agreement that, by its terms, was to have been performed, or complied with, under this Agreement. Without limiting the generality of the foregoing, Purchaser hereby irrevocably waives any right of rescission it may otherwise have or to which it may become entitled.

10.6 Additional Indemnification Provisions. With respect to each indemnification obligation contained in this Agreement, all Losses shall be net of (i) any third-party, representation and warranty or other insurance and indemnity proceeds actually received by the Indemnified Party in connection with the facts giving rise to the right of indemnification, less the amount of out-of-pocket costs incurred to collect such proceeds (it being agreed that if third-party insurance or indemnification proceeds in respect of such facts are recovered by the Indemnified Party subsequent to the Indemnifying Party's making of an indemnification payment in satisfaction of its applicable indemnification obligation, such proceeds less the amount of out-of-pocket costs incurred to collect such proceeds shall be promptly remitted to the Indemnifying Party); and (ii) any Tax Benefit to the Indemnified Party or its Affiliates arising directly from such Loss that is actually realized with respect to the taxable year to which such Loss relates or any of the three (3) succeeding taxable years (the "Benefit Taxable Years") (net of any out-of-pocket expenses incurred by the Indemnified Party or its Affiliates in the Benefit Taxable Years with respect to such Tax Benefit and Taxes with respect to such Tax Benefit actually paid by the Indemnified Party or its Affiliates with respect to the Benefit Taxable Years, it being agreed and understood that the only loss of deductions resulting from the loss of basis resulting from the receipt of the indemnity payment that shall be taken into account in calculating such Taxes shall be a loss of deductions for the Benefit Taxable Years resulting from a loss of Tax basis as a direct result of the receipt of the indemnity payment). The Indemnified Party shall, or shall cause its relevant Affiliates to, claim, to the extent legally able to claim, any Tax

Benefit arising directly from the relevant Loss (a) to which the Indemnifying Party is entitled, or (b) which would reduce a Loss, under this Section 10.6. Any Tax Benefit described in clause (ii) above that is actually realized with respect to the Benefit Taxable Years after the relevant indemnification payment has been made, or otherwise not taken into account in the relevant indemnification payment, shall be paid over by the Indemnified Party or its Affiliates within fifteen (15) days of actual realization (for the absence of doubt, without duplication, net of the amounts set forth in the parenthetical set forth in clause (ii) above). The Indemnified Party shall use, and cause its Affiliates to use, reasonable best efforts to seek prompt and full recovery under all insurance and indemnity provisions covering such Loss to the same extent as it would if such Loss were not subject to indemnification hereunder. Except as set forth herein, from and after the Closing Date, no member of the Supervalu Group shall have any right of contribution or indemnification against any of the Save-A-Lot Entities for any amounts paid to any Purchaser Indemnified Party as a result of any claim for indemnification under this Article X or any claim under this Article X arising from or relating to a breach by Supervalu or any of the Save-A-Lot Entities or their respective Subsidiaries of any representations, warranties, covenants or other agreements contained in this Agreement or in the Services Agreement. Upon making any payment to the Indemnified Party for any indemnification claim pursuant to Article VII or this Article X, the Indemnifying Party shall be subrogated, to the extent of such payment, to any rights which the Indemnified Party may have against any third parties (other than customers or store licensees of the Business, the Purchaser or any of its Subsidiaries, including the Save-A-Lot Entities) with respect to the subject matter underlying such indemnification claim, and the Indemnified Party shall assign any such rights to the Indemnifying Party or, where such assignment is not permitted, use commercially reasonable efforts to recover in respect such claim on behalf of the Indemnifying Party. For purposes of this Section 10.6 and Section 10.7, "Indemnified Party" shall include any Party entitled to be indemnified under Article VII, and "Indemnifying Party" shall include any Party liable for such indemnification.

10.7 Limitation of Liability. In no event shall any Indemnifying Party have liability to any Indemnified Party for any (a) exemplary or punitive damages of the other party or (b) consequential, special, incidental or indirect damages, except in the case of the foregoing clause (b) to the extent such damages resulting from the breach of a covenant or obligation under this Agreement are reasonably foreseeable and except in each case in any of the foregoing clause (a) or (b) for any such damages to the extent actually paid to a third party, including a Governmental Authority. For the avoidance of doubt, (i) this Section 10.7 shall not limit the ability of the Purchaser Tax Indemnified Parties to seek indemnification in relation to breaches relating to the Section 336(e) Elections or 338(h)(10) Elections or of the Seller Tax Indemnified Parties to seek indemnification relating to breaches relating to the Purchase Price Allocation Schedule and (ii) Section 10.7(b) shall not apply to damages to the extent arising out of or related to any breach of Section 3.15(a)(xii).

10.8 Mitigation. Each of the Parties agrees to use commercially reasonable efforts to mitigate its respective Losses upon and after becoming aware of any event or condition that would reasonably be expected to give rise to any Losses that are indemnifiable hereunder.

10.9 No Set Off. Neither Party shall have any right to set off or otherwise reduce or refuse to pay any amount required to be paid by it pursuant to Article VII or this Article X, whether because of alleged or actual payments, damages or liabilities owed by the other Party or any of its Affiliates to such Party or any of its Affiliates, alleged or actual claims against the other Party or any of its Affiliates or any other financial obligation of the other Party or any of its Affiliates to such Party or any of its Affiliates. Notwithstanding anything else in this Agreement, the Services Agreement, the Separation Agreement or any other agreement contemplated hereby or thereby, Purchaser and its Affiliates shall be entitled to set off from payment due to Supervalu or its Affiliates under the Services Agreement any amount paid to any Governmental Authority with respect to the matters underlying the Tax Reserves but only to the extent that such amounts are indemnifiable by Supervalu in respect of such matters (in the relevant jurisdictions and for the relevant taxable periods, as specified in Schedule VI) under Section 7.2, and any amounts so set off shall be treated as having been paid by Supervalu to Purchaser under Section 7.2 (and for the avoidance of doubt, such offset shall not be limited to the specific amounts included in the Tax Reserves, but rather the actual amounts paid in satisfaction of such matter(s) underlying the Tax Reserves); provided that no Purchaser Tax Indemnified Party shall pay or cause to be paid any Taxes with respect to any Liabilities included in such Tax Reserves until legally required to do so.

## ARTICLE XI

## GENERAL PROVISIONS

11.1 Interpretation; Absence of Presumption.

(a) It is understood and agreed that the specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Save-A-Lot Disclosure Schedules is not intended to imply that such amounts or higher or lower amounts, or the items so included or other items, are or are not material, and no Party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Save-A-Lot Disclosure Schedules in any dispute or controversy between the Parties as to whether any obligation, item or matter not described in this Agreement or included in the Save-A-Lot Disclosure Schedules is or is not material for purposes of this Agreement.

(b) For the purposes of this Agreement, (i) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (ii) references to the terms Article, Section, paragraph, Exhibit and Schedule are references to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified; (iii) the terms “hereof,” “herein,” “hereby,” “hereto” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto; (iv) references to “$” shall mean U.S. dollars; (v) the word “including” and words of similar import when used in this Agreement and the Services Agreement shall mean “including without limitation,” unless otherwise specified; (vi) the word “or” shall not be exclusive; (vii) references to “written” or “in writing” include in electronic form; (viii) provisions shall apply, when appropriate, to successive events and

transactions; (ix) the Parties have each participated in the negotiation and drafting of this Agreement and the Services Agreement and if an ambiguity or question of interpretation should arise, this Agreement and the Services Agreement shall be construed as if drafted jointly by the parties thereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or the Services Agreement; (x) a reference to any Person includes such Person's successors and permitted assigns; (xi) any reference to "days" shall mean calendar days unless Business Days are expressly specified; and (xii) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day. If the Closing shall occur, notwithstanding anything in this Agreement to the contrary, any payment obligation of Purchaser hereunder shall be a joint and several obligation of Purchaser and any domestic Save-A-Lot Entities.

(c) Any disclosure with respect to a Section or schedule of this Agreement, including any Section of the Save-A-Lot Disclosure Schedules, shall be deemed to be disclosed for other Sections and schedules of this Agreement, including any Section of the Save-A-Lot Disclosure Schedules, to the extent that the relevance of such disclosure to such other sections or schedules is reasonably apparent on the face of such disclosure.

11.2 Headings; Definitions. The section and article headings contained in this Agreement and the Services Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement or the Services Agreement.

11.3 Governing Law; Jurisdiction and Forum; Waiver of Jury Trial.

(a) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware (except that the laws of the State of Missouri where expressly provided herein and to the extent required by applicable Law). In addition, each of the Parties hereto (i) submits to the exclusive personal jurisdiction of the Delaware Court of Chancery in and for New Castle County, or in the event (but only in the event) that such Delaware Court of Chancery does not have subject matter jurisdiction over such dispute, the United States District Court for the District of Delaware, or in the event (but only in the event) that such United States District Court also does not have jurisdiction over such dispute, any Delaware State court sitting in New Castle County, in the event any dispute (whether in contract, tort or otherwise) arises out of this Agreement or the transactions contemplated hereby, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) agrees that it will not bring any Action relating to this Agreement or the transactions contemplated hereby in any court other than the Delaware Court of Chancery in and for New Castle County, or in the event (but only in the event) that such Delaware Court of Chancery does not have subject matter jurisdiction over such Action, the United States District Court for the District of Delaware, or in the event (but only in the event) that such United States District Court also does not have jurisdiction over such Action, any Delaware State court sitting in New Castle County. Each Party agrees that service of process upon such Party in any such Action arising out of

or in connection with this Agreement or the transactions contemplated by this Agreement shall be effective if notice is given in accordance with Section 11.7.

(b) EACH PARTY TO THIS AGREEMENT WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THEM AGAINST THE OTHER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, THE SERVICES AGREEMENT OR ANY OTHER AGREEMENTS EXECUTED IN CONNECTION HEREWITH OR THEREWITH OR THE ADMINISTRATION THEREOF OR THE TRANSACTION OR ANY OF THE OTHER TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING (WITHOUT IN ANY WAY LIMITING SECTION 11.3(d) OR SECTION 11.14) ANY LITIGATION AGAINST A DEBT FINANCING SOURCE PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF THE TRANSACTIONS CONTEMPLATED HEREBY. NO PARTY TO THIS AGREEMENT SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON, OR ARISING OUT OF, THIS AGREEMENT OR ANY RELATED INSTRUMENTS. NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EACH PARTY TO THIS AGREEMENT CERTIFIES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT OR INSTRUMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH ABOVE IN THIS SECTION 11.3. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION 11.3 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

(c) Notwithstanding anything herein to the contrary, but subject to Section 11.3(d) below, each Party agrees (i) that any Action of any kind or nature, whether at law or equity, in contract, in tort or otherwise, against a Debt Financing Source Party in connection with this Agreement, the Debt Financing or the transactions contemplated hereby or thereby shall be brought exclusively in any New York state or federal court sitting in the borough of Manhattan and each party submits for itself and its property with respect to any such action to the exclusive jurisdiction of such courts, (ii) that services of process, summons, notice or document by registered mail addressed to it at its address provided in Section 11.7 shall be effective service of process against it for any such action brought in any such court, (iii) to waive and hereby irrevocably waives, to the fullest extent permitted by Law, any objection which it may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such Action in any such court, (iv) that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law, (v) that, except as specifically set forth in the Debt Commitment Letter as of the date hereof, the Laws of the State of New York shall govern any such Action and (vi) to irrevocably waive and hereby waives any right to a trial by jury in any such action to the same extent such rights are waived pursuant to Section 11.3(b).

(d) Notwithstanding anything herein to the contrary, Supervalu and each member of the Supervalu Group hereby waives (and Supervalu shall use reasonable best efforts to cause each of its Affiliates to waive) to the fullest extent permitted by Law any rights or claims against any Lenders and the parties to any joinder agreements, credit agreements or commitment letters entered

into in connection with the Debt Financing, and any of their Affiliates and any of such entities' or their affiliates' respective former, current or future direct or indirect equity holders, controlling persons, general or limited partners, shareholders, managers, members, directors, officers, employees, representatives or agents, and their respective successors and assigns (collectively, the "Debt Financing Source Parties"), in connection with this Agreement or the Debt Commitment Letters, whether at law or equity, in contract, in tort or otherwise; provided that the foregoing waiver and release shall not apply to any rights, claims or causes of action that Supervalu or any member of the Supervalu Group may have against any Lender for breach of any nondisclosure agreement that any Lender may have entered into with the any member of the Supervalu Group.

11.4 Entire Agreement. This Agreement, together with the Separation Agreement, the Services Agreement and the Exhibits and Schedules hereto and thereto, and the Confidentiality Agreement, constitute the entire agreement between the Parties with respect to the subject matter of this Agreement and supersede any prior discussion, correspondence, negotiation, proposed term sheet, agreement, understanding or arrangement, and there are no agreements, understandings, representations or warranties between the Parties other than those set forth or referred to in this Agreement.

11.5 No Third Party Beneficiaries. Except (a) as provided in Sections 5.11(b), 7.2, 7.3, 10.2 and 10.3, in each case which are intended to benefit, and to be enforceable by, the parties specified therein, (b) each of the Purchaser Related Parties (as applicable), who shall be express third party beneficiaries of, and entitled to enforce, Sections 9.3, 9.4, 11.3(b), 11.3(c), 11.3(d), 11.4, 11.9, 11.10, 11.14 and this Section 11.5, and (c) Onex Partners Manager LP, which shall be a third party beneficiary of, and entitled to enforce, Section 5.2(a), this Agreement and the Exhibits and Schedules hereto, are not intended to confer in or on behalf of any Person not a Party to this Agreement (and their successors and assigns) any rights, benefits, causes of action or remedies with respect to the subject matter or any provision hereof.

11.6 Expenses. Except as otherwise set forth in this Agreement, whether the transactions contemplated by this Agreement are consummated or not, all legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the Party incurring such costs and expenses unless expressly otherwise contemplated in this Agreement (with an understanding that any such costs and expenses incurred prior to the Closing by any of the Save-A-Lot Entities, to the extent not included as a "Current Liability" in Working Capital or not included in Indebtedness, shall be the sole responsibility of Supervalu except as otherwise provided in the Separation Agreement (including the schedules thereto)); provided, however, the expenses of Purchaser to obtain representations and warranties insurance in connection with the transactions contemplated by this Agreement shall be borne by Purchaser.

11.7 Notices. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service, or three (3) days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, and shall be directed to the address set forth below (or at such other address as such Party shall designate by like notice):

(a) If to Supervalu:

SUPERVALU INC.
11840 Valley View Road
Eden Prairie, Minnesota 55344
Attention: Karla Robertson, Executive Vice President, General Counsel and Corporate Secretary

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Igor Kirman, Esq.
DongJu Song, Esq.

(b) If to Save-A-Lot prior to the Closing:

c/o SUPERVALU INC.
11840 Valley View Road
Eden Prairie, Minnesota 55344
Attention: Karla Robertson, Executive Vice President, General Counsel and Corporate Secretary

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Igor Kirman, Esq.
DongJu Song, Esq.

(c) If to Purchaser or Merger Sub or, after the Closing, Save-A-Lot:

c/o Onex Partners
712 Fifth Avenue
New York, NY 10019
Attention: Matt Ross

with a copy (which shall not constitute notice) to:

Latham &Watkins LLP
555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004
Attention: Paul Sheridan and Bradley Faris

11.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and assigns; provided, that no Party to this Agreement may directly or indirectly assign any or all of its rights or delegate any or all of its obligations under this Agreement without the express prior written consent of each other Party to this Agreement. Notwithstanding the foregoing, without Supervalu's consent (a) Purchaser may assign its rights hereunder for collateral security purposes to its debt financing sources (including the Lenders), or any collateral agent or trustee therefor, and (b) Purchaser may assign any rights and obligations hereunder to its Affiliates (so long as they remain Affiliates); provided that in the case of any assignment described in clause (a) or (b), no such assignment shall limit, affect or relieve the assignor of its obligations hereunder.

11.9 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by each of the Parties. Supervalu or Purchaser may, only by an instrument in writing, waive compliance by the other Parties to this Agreement with any term or provision of this Agreement on the part of such other Parties to this Agreement to be performed or complied with. The waiver by any such Party to this Agreement of a breach of or requirement to comply with any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach or requirement. Notwithstanding anything to the contrary contained herein, Sections 9.3, 9.4, 11.3(b), 11.4, 11.3(c), 11.3(d), 11.5, 11.10, 11.14 and this Section 11.9 (and any provision of this Agreement to the extent an amendment, modification, waiver or termination of such provision would modify the substance of Sections 9.3, 9.4, 11.3(b), 11.3(c), 11.3(d), 11.4, 11.5, 11.10, 11.14 and this last sentence of Section 11.9) may not be amended, modified, waived or terminated in a manner that is adverse in any respect to the Debt Financing Source Parties without the prior written consent of the Lenders.

11.10 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible. Notwithstanding the foregoing, the Parties intend that the remedies and limitations set forth in this Agreement (including (x) provisions that payment of the Reverse Termination Fee be the exclusive remedy for the recipient thereof and (y) limitations on the right to specifically enforce the terms hereof) shall be construed as an integral provision of this Agreement and that such remedies and limitations shall not be severable in any manner that increases (i) the liability of Purchaser (or the liability of any Lender) or any of its stockholders, partners, members, managers, Affiliates, directors, officers, employees, representatives or agents or (ii) the obligations hereunder or under the Guaranty.

11.11 Specific Performance. The Parties hereto agree that irreparable damage, for which monetary damages (even if available) would not be an adequate remedy, would occur in the event that the Parties hereto do not perform any provision of this Agreement in accordance with its specified terms or otherwise breach such provisions. Accordingly, the Parties acknowledge and

agree that the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled in Law or in equity. Each of the Parties agrees that it will not oppose the granting of any such injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at Law or that any award of specific performance is not an appropriate remedy for any reason at Law or in equity. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such order or injunction. If, prior to the Outside Date, any Party brings any Action to enforce specifically the performance of the terms and provisions hereof by any other Party, then notwithstanding Section 9.1(b)(i) the Outside Date shall automatically be extended by (x) the amount of time during which such action is pending, plus twenty (20) Business Days or (y) such other time period established by the court presiding over such action. The Parties agree that, notwithstanding anything herein to the contrary, Supervalu shall be entitled to specific performance (or any other equitable relief) of Purchaser's obligation to cause the Equity Financing to be funded to fund the Purchase Price and of Purchaser's obligation to consummate the Closing; provided, however, that Supervalu shall be entitled to such specific performance only if: (i) all conditions in Section 8.1 and Section 8.2 shall have been satisfied as of the date on which the Closing would be required to occur (other than those conditions that, by their nature, are to be satisfied at the Closing; provided such conditions would reasonably be expected to have been satisfied as of such date) or have been waived, (ii) the Debt Financing (or, if Alternate Financing is being used in accordance with Section 5.11(a), pursuant to the commitments with respect thereto) has been funded or would be funded (or, if such Debt Financing has been funded into escrow, such funds have been or would be released from escrow) as of the date on which the Closing would be required to occur if the Equity Financing is funded, and (iii) Supervalu has confirmed in writing that if specific performance is granted and the Financing is funded, it will take such actions as are required of it pursuant to the terms of this Agreement to cause the Closing to occur; provided, further, that while Supervalu may pursue both a grant of specific performance in accordance with this Section 11.11 and the Reverse Termination Fee, under no circumstances shall Supervalu be entitled to receive both (1) a grant of specific performance that requires the Equity Financing to be funded and/or the transactions contemplated by this Agreement to be consummated (which specific performance order is satisfied) and (2) the payment of the Reverse Termination Fee. In the event that a court of competent jurisdiction fails to grant specific performance or other injunctive relief to Supervalu as a remedy for any failure to perform or breach hereunder, or in any circumstance in which damages are recoverable by Supervalu hereunder, the Parties hereby acknowledge and agree that Supervalu shall be entitled to receive benefit of the bargain and lost profits damages as redress for such failure to perform or breach.

11.12 Waiver of Conflicts Regarding Representation; Nonassertion of Attorney-Client Privilege.

(a) Purchaser waives and will not assert, and agrees to cause its Subsidiaries, including the Save-A-Lot Entities, to waive and not to assert, any conflict of interest arising out of or relating to the representation, after the Closing (the "Post-Closing Representation"), of Supervalu, any of its Subsidiaries or any shareholder, officer, employee or director of Supervalu or any of its Subsidiaries (any such Person, a "Designated Person") in any matter involving this Agreement, the

Services Agreement or any other agreements or transactions contemplated hereby or thereby, by any legal counsel currently representing Supervalu or any of its Subsidiaries in connection with this Agreement, the Services Agreement or any other agreements or transactions contemplated hereby or thereby, including Wachtell, Lipton, Rosen & Katz (the "Current Representation").

(b) Purchaser waives and will not assert, and agrees to cause its Subsidiaries, including the Save-A-Lot Entities, to waive and not to assert, any attorney-client privilege with respect to any communication between any legal counsel and any Designated Person occurring during the Current Representation in connection with any Post-Closing Representation, including in connection with a dispute with Purchaser and its Subsidiaries, and following the Closing, with any Save-A-Lot Entity (including in respect of any claim for indemnification by Purchaser), it being the intention of the Parties hereto that all such rights to such attorney-client privilege and to control such attorney-client privilege shall be retained by Supervalu; provided, that the foregoing waiver and acknowledgement of retention shall not extend to any communication not involving this Agreement, the Services Agreement or any other agreements or transactions contemplated hereby or thereby, or to communications with any Person other than the Designated Persons and their advisors. Accordingly, from and after Closing, the Save-A-Lot Entities shall not have any access to any such communications or to the files of the Current Representation relating to such engagement, and none of Purchaser, the Save-A-Lot Entities or any Person acting or purporting to act on their behalf shall seek to obtain the same by any process on the grounds that the privilege attaching to such communications and files belongs to Supervalu.

11.13 No Admission. Nothing herein shall be deemed an admission by Supervalu or any of its respective Affiliates, in any Action or proceeding by or on behalf of a third party, that Supervalu or any of its respective Affiliates, or that such third party or any of its respective Affiliates, is or is not in breach or violation of, or in default in, the performance or observance of any term or provisions of any contract.

11.14 Limitation on Recourse. Other than with respect to (a) the right to seek specific performance of the Equity Commitment Letter to the extent permitted by and in accordance with Section 11.11 and the Equity Commitment Letter (any such claims under the Equity Commitment Letter, the "ECL Claims"), (b) recourse against the Guarantor under the Guaranty to the extent permitted by and in accordance with the Guaranty, (c) the recourse rights of any party pursuant to the Confidentiality Agreement to the extent provided therein and (d) the recourse rights of any party under the Separation Agreement or the Services Agreement to the extent provided therein, any claim or cause of action under this Agreement may only be brought against Persons that are expressly named as Parties, and then only with respect to the specific obligations set forth in this Agreement. Other than the ECL Claims, such recourse against the Guarantor under the Guaranty to the extent permitted by and in accordance with the Guaranty, such recourse against a party under the Confidentiality Agreement and such recourse against a party under the Separation Agreement or the Services Agreement to the extent provided therein, and subject to the rights of, and without restricting, limiting or modifying the obligations of, the parties to the Debt Commitment Letter, no Purchaser Related Party or Supervalu Related Party (other than Supervalu or Purchaser, subject, in each case, to this Section 11.14 and Sections 9.3 and 9.4 (including the limitations on liability contained therein)) shall have any liability or obligation for any of the representations, warranties, covenants, agreements, obligations or liabilities of Supervalu or Purchaser or of or for any claim,

investigation, or Action, in each case under, based on, in respect of, or by reason of, this Agreement or the transactions contemplated hereunder (including the breach, termination or failure to consummate such transactions), in each case whether based on contract, tort or strict liability, by the enforcement of any assessment, by any legal or equitable Action, by virtue of any statute, regulation or applicable Laws or otherwise and whether by or through attempted piercing of the corporate, limited liability company or partnership veil, by or through a claim by or on behalf of a party or another Person (including a claim to enforce the Debt Commitment Letter) or otherwise. Subject to the rights of, and without restricting, limiting or modifying the obligations of, the parties to the Debt Commitment Letter under the terms thereof, none of the Parties, solely in their respective capacities as parties to this Agreement, shall have any rights or claims against any Debt Financing Source Party, solely in their respective capacities as lenders or arrangers under the Debt Financing, whether in law or in equity, whether in contract or in tort or otherwise.

11.15 Counterparts. This Agreement may be executed in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic method shall be as effective as delivery of a manually executed counterpart of this Agreement.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, this Agreement has been signed by or on behalf of each of the Parties as of the day first above written.

SMITH ACQUISITION CORP

By: /s/ Adina Notto

Name: Adina Notto

Title: Secretary

SMITH MERGER SUB CORP

By: /s/ Adina Notto

Name: Adina Notto

Title: Secretary

*[Signature page to the Agreement and Plan of Merger]*

MORAN FOODS, LLC

By: /s/ Rob Woseth

Name: Rob Woseth

Title: Manager

SUPERVALU INC.

By: /s/ Bruce Besanko

Name: Bruce Besanko

Title: EVP, Chief Operating Officer and Chief Financial Officer

*[Signature page to the Agreement and Plan of Merger]*

**CERTIFICATE OF AUTHORITY**

The undersigned, the Vice President and Assistant Secretary of Moran Foods, LLC, certifies that the foregoing Agreement and Plan of Merger was adopted and approved in accordance with Section 347.720 of the Missouri LLC Act.

MORAN FOODS, LLC
By: /s/ Karla Robertson
Name: Karla Robertson
Title: Vice President and Assistant Secretary

The undersigned, the EVP, General Counsel and Corporate Secretary of SUPERVALU INC., certifies that the foregoing Agreement and Plan of Merger was adopted and approved in accordance with Section 347.720 of the Missouri LLC Act.

SUPERVALU INC.
By: /s/ Karla Robertson
Name: Karla Robertson
Title: EVP, General Counsel and Corporate Secretary

*[Signature page to the Certificate of Authority]*

**CERTIFICATE OF AUTHORITY**

The undersigned, the President of Smith Merger Sub Corp, certifies that the foregoing Agreement and Plan of Merger was adopted and approved in accordance with Section 347.720 of the Missouri LLC Act.

SMITH MERGER SUB CORP

By: /s/ Matthew Ross

Name: Matthew Ross

Title: President

*[Signature page to the Certificate of Authority]*

**Exhibit 2.2**

# SEPARATION AGREEMENT

by and between

SUPERVALU INC.

and

MORAN FOODS, LLC

_____

Dated as of October 16, 2016

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**SEPARATION AGREEMENT**

This SEPARATION AGREEMENT, dated as of October 16, 2016 (this "Agreement"), is by and between SUPERVALU INC., a Delaware corporation ("Supervalu"), and MORAN FOODS, LLC, a Missouri limited liability company ("Save-A-Lot").

R E C I T A L S

WHEREAS, the board of directors of Supervalu has determined that it is appropriate and desirable to separate the Save-A-Lot Business from the Supervalu Business (the "Separation");

WHEREAS, following the Separation, it is expected that Supervalu will complete the sale of the Save-A-Lot Business to a third party pursuant to an agreement and plan of merger with Save-A-Lot, such third party and a subsidiary of such third party (the "Merger Agreement"), on the terms and subject to the conditions specified therein (the "Merger"); and

WHEREAS, each of Supervalu and Save-A-Lot has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Merger and certain other agreements that will govern certain matters relating to the Separation and the Merger and the relationship of Supervalu, Save-A-Lot and the members of their respective Groups following the Merger.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the Save-A-Lot Group shall be deemed to be an Affiliate of any member of the Supervalu Group and (b) no member of the Supervalu Group shall be deemed to be an Affiliate of any member of the Save-A-Lot Group.

"Agreement" shall have the meaning set forth in the Preamble.

"Ancillary Agreement" shall mean all agreements (other than this Agreement) entered into by the Parties or the members of their respective Groups (but as to which no Third Party is a party) in connection with the Separation, the Merger, or the other transactions contemplated by this Agreement, including the Services Agreement and the Transfer Documents but not the Merger Agreement.

"Approvals or Notifications" shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

"Assets" shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any Contract, license, permit, indenture, note, bond, mortgage, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

"Benefit Plan" shall mean any "employee benefit plan" within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA) and any employment, retention, profit- sharing, bonus, stock option, stock purchase, restricted stock and other equity or equity-based, incentive, deferred compensation, severance, redundancy, termination, retirement, pension, change in control, health, welfare, fringe benefit or other compensation or benefit plan, policy, program, agreement or arrangement (whether written or oral) made, sponsored, maintained or contributed to for the benefit of any Employee; provided, however, that the term "Benefit Plan" does not include any government-sponsored benefits or any Multiemployer Plan.

"Cash" shall mean all physical currency and cash equivalents, including deposits in transit and short-term receivables arising from consumer transactions (such as checks, gift cards and funds received from Electronic Benefit Transfer ("EBT") and credit and debit card transactions) prior to the Effective Time.

"COBRA" shall mean the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Section 601 *et seq*. of ERISA and at Section 4980B of the Code.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Contract" shall mean any lease, contract, license, arrangement, option, instrument or other agreement, other than a Permit, including any such statements of work, purchase orders, quotes, invoices, order fulfillment documentation or other such documents, whether or not signed or generated electronically.

"Credit Support Instruments" shall have the meaning set forth in Section 2.5(a)(i).

"Delayed Save-A-Lot Asset" shall have the meaning set forth in Section 2.4(c).

"Delayed Save-A-Lot Liability" shall have the meaning set forth in Section 2.4(c).

"Delayed Supervalu Asset" shall have the meaning set forth in Section 2.4(h).

"Delayed Supervalu Liability" shall have the meaning set forth in Section 2.4(h).

"Effective Time" shall mean the effective time of the Merger.

"Employee" shall mean any Supervalu Group Employee or Save-A-Lot Group Employee.

"Environmental Law" shall mean any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, release or discharge of, or exposure to, hazardous materials.

"Environmental Liabilities" shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or Contract relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take back requirements or with any settlement, judgment or other determination of

Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"ERISA" shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"FICA" shall have the meaning set forth in Section 3.2(e).

"Force Majeure" shall mean, with respect to a Party, any event beyond the reasonable control of a Party that delays or prevents the Party, directly or indirectly, from performing its obligations under this Agreement (other than payment obligations). Without limiting the generality of the foregoing, a Force Majeure includes (i) acts of God, acts of a public enemy, acts of terrorism, acts of a nation or any state, territory, province or other political division thereof, changes in applicable Law, fires, floods, epidemics, riots, theft, quarantine restrictions, freight embargoes, strikes, work stoppages, transportation delays, telecommunications failures, software malfunctions or interruptions, in each case that are beyond a Party's reasonable control. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure.

"Former Employees" shall mean Former Supervalu Group Employees and Former Save-A-Lot Group Employees.

"Former Save-A-Lot Group Employee" shall mean any individual who is, as of the Effective Time, a former employee of Supervalu or any of its Subsidiaries whose most recent employment there was exclusively in the Save-A-Lot Business.

"Former Supervalu Group Employee" shall mean any individual who is, as of the Effective Time, a former employee of the Supervalu Group and who is not a Former Save-A-Lot Group Employee.

"FUTA" shall have the meaning set forth in Section 3.2(e).

"Governmental Approvals" shall mean any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

"Governmental Authority" shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" shall mean either the Save-A-Lot Group or the Supervalu Group, as the context requires.

"Hazardous Materials" means any substance, pollutant, contaminant, material or waste that is classified in any applicable Environmental Law as "hazardous," "toxic," "dangerous," a "pollutant,"

a "contaminant", or words of similar meaning, including asbestos, asbestos-containing materials, polychlorinated biphenyls, petroleum or petroleum products, radioactive materials and radon gas.

"HIPAA" shall mean the U.S. Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder.

"Indemnifying Party" shall have the meaning set forth in Section 4.4(a).

"Indemnitee" shall have the meaning set forth in Section 4.4(a).

"Indemnity Payment" shall have the meaning set forth in Section 4.4(a).

"Information" shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, recipes, records, books, Contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software (including source code), marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data; provided that "Information" shall not include Registrable IP.

"Insurance Costs" shall have the meaning set forth in Section 5.1(b)(ii).

"Insurance Proceeds" shall mean those monies:

(a) received by an insured from an insurance carrier; or

(b) paid by an insurance carrier on behalf of the insured;

in any such case net of any costs or expenses incurred in the collection thereof; provided, however, with respect to a captive insurance arrangement, Insurance Proceeds shall only include amounts received by the captive insurer in respect of any reinsurance arrangement.

"Intellectual Property" shall mean all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, registrations and related rights, (d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered,

and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, and (f) intellectual property rights arising from or in respect of any Technology, in each case, other than Software.

"IRS" shall mean the U.S. Internal Revenue Service.

"Law" shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty , license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest, escheat and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any Contract or other agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Licensed Software" shall mean Software licensed by a third party to a member of the Supervalu Group and/or a member of the Save-A-Lot Group.

"Licensed Technology" shall mean Technology licensed by a third party to a member of the Supervalu Group and/or a member of the Save-A-Lot Group.

"Linked" shall have the meaning set forth in Section 2.9(a).

"Losses" shall mean actual losses, costs, damages, fines, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

"Merger" shall have the meaning set forth in the Recitals.

"Merger Agreement" shall have the meaning set forth in the Recitals.

"Multiemployer Plan" shall mean a "multiemployer plan" within the meaning of Section 3(37) of ERISA.

"Parties" shall mean the parties to this Agreement.

"Permits" shall mean permits, approvals, authorizations, consents, licenses or certificates issued by any Governmental Authority.

"Person" shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Plan of Reorganization" shall have the meaning set forth in Section 2.1(a).

"Prime Rate" shall mean, from time to time, the rate that Bloomberg displays as "Prime Rate by Country United States" at *http://www.bloomberg.com/quote/PRIME:IND* or on a Bloomberg terminal at PRIMBB Index.

"QDROs" shall mean a qualified domestic relations order within the meaning of Section 206(d) of ERISA and Section 414(p) of the Code.

"Real Property" shall mean land together with all easements, rights and interests arising out of any ownership, leasehold or occupancy interest thereof or appurtenant thereto and all buildings, structures, improvements and fixtures located thereon.

"Records" shall mean all general ledgers, financial information, corporate minute books, stock records, litigation files, real property files and other similar books and records in the possession of Supervalu or any of its Subsidiaries.

"Real Property Leases" shall mean all leases (including subleases) to Real Property and, to the extent covered by such leases, any and all buildings, structures, improvements and fixtures located thereon.

"Registrable IP" shall mean all patents, statutory invention registrations, registered trademarks, registered service marks, registered Internet domain names, registered uniform resource locators and copyright registrations and applications for any of the foregoing.

"Representatives" shall mean, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

"Save-A-Lot" shall have the meaning set forth in the Preamble.

"Save-A-Lot Accounts" shall have the meaning set forth in Section 2.9(a).

"Save-A-Lot Assets" shall have the meaning set forth in Section 2.2(a).

"Save-A-Lot Balance Sheet" shall mean the combined balance sheet of the Save-A-Lot Business on a carve-out basis, as of June 18, 2016, as set forth on Schedule 1.0, and any notes and subledgers thereto.

"Save-A-Lot Benefit Plan" shall mean any Benefit Plan established, sponsored or maintained by a member of the Save-A-Lot Group as of or after the Effective Time.

"Save-A-Lot Business" shall mean (a) the business, operations and activities of the Save-A-Lot segment of Supervalu conducted immediately prior to the Effective Time by either Party or any

of their Subsidiaries and (b) any terminated, divested or discontinued businesses, operations and activities that, at the time of termination, divestiture or discontinuation, primarily related to the business, operations or activities described in clause (a) as then conducted, including those set forth on Schedule 1.1.

"Save-A-Lot Cash" shall mean (a) any Cash physically held in any Save-A-Lot store, distribution center or office location, (b) any Cash held in a Save-A-Lot Account and (c) any Cash and deposits in transit to any Save-A-Lot store or from any Save-A-Lot store to a Save-A-Lot Account.

"Save-A-Lot Contracts" shall mean the following Contracts whether or not in writing, in each case as of and entered into prior to the Effective Time, including the right to recover any amounts under such Contracts:

(a) any Contracts solely between one or more Third Parties, on the one hand, and one or more members of the Save-A-Lot Group, on the other hand, to which no member of the Supervalu Group is a party, including any such Contract entered into by one or more members of the Save-A-Lot Group in connection with and to facilitate the Separation; and

(b) the following Contracts (the "Transferring Supervalu Contracts") to which a member of the Supervalu Group is a party (it being understood that any such Contracts not specified below will be Supervalu Assets hereunder):

(i) the portion of any purchase orders, invoices, quotes and proposals not exclusive to one or more members of the Save-A-Lot Group that relates in part to the Save-A-Lot Business, whether or not any master Contract associated with such purchase orders, invoices, quotes and proposals is otherwise a Save-A-Lot Contract;

(ii) any purchase orders, invoices, quotes and proposals for which the exclusive recipient of the rights and benefits thereof (as between the Supervalu Group and the Save-A-Lot Group) is one or more members of the Save-A-Lot Group, whether or not any master Contract associated with such purchase orders, invoices, quotes and proposals is otherwise a Save-A-Lot Contract;

(iii) the Intellectual Property licenses listed on Schedule 1.2(b)(iii);

(iv) (A) any Contract with a Third Party entered into prior to the Effective Time pursuant to which such Third Party provides information technology or telecommunications services, licenses or maintenance or Licensed Software or Licensed Technology exclusively to one or more members of the Save-A-Lot Group, including as listed on Schedule 1.2(b)(iv)(A), and (B) with respect to any such Contract entered into prior to the Effective Time that relates to the Save-A-Lot Business but is not exclusively related to the Save-A-Lot Business, including as listed on Schedule 1.2(b)(iv)(B), that portion of any such Contract that relates to the Save-A-Lot Business;

(v) (A) any customer, licensee, distribution, transportation, merchandising, marketing, supply, goods not for resale, energy procurement or other Contract with a Third Party entered into prior to the Effective Time pursuant to which such Third Party provides such goods or services exclusively to a member of the Save-A-Lot Group, including as listed on Schedule 1.2(b)(v)(A), and (B) with respect to any such Contract described in part (A) entered into prior to the Effective Time that relates to the Save-A-Lot Business but is not exclusively related to the Save-A-Lot Business, including as listed on Schedule 1.2(b)(v)(B), that portion of any such Contract that relates to the Save-A-Lot Business;

(vi) any guarantee, indemnity, representation, covenant, warranty or other Liability of either Party or any member of its Group to the extent in respect of or related to any other Save-A-Lot Contract, Save-A-Lot Real Property, any Save-A-Lot Liability or the Save-A-Lot Business;

(vii) any Save-A-Lot Individual Agreement;

(viii) any Contract that is otherwise expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be assigned to Save-A-Lot or any member of the Save-A-Lot Group; and

(ix) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements related exclusively to the Save-A-Lot Business or entered into by or on behalf of any division, business unit or member of the Save-A-Lot Group.

Notwithstanding the foregoing, Save-A-Lot Contracts shall not include any Contract that is contemplated to be retained by Supervalu or any member of the Supervalu Group from and after the Effective Time pursuant to any provision of this Agreement or any Ancillary Agreement (including the Services Agreement).

"Save-A-Lot Insurance Claims" shall have the meaning set forth in Section 2.5(a)(i).

"Save-A-Lot Credit Support Instruments" shall have the meaning set forth in Section 2.5(a)(i).

"Save-A-Lot Designees" shall mean any and all entities (including corporations, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated prior to the Effective Time by Save-A-Lot to acquire Save-A-Lot Assets, each of which will be members of the Save-A-Lot Group as of immediately prior to the Effective Time.

"Save-A-Lot Executive Deferred Compensation Plans" shall mean the Save-A-Lot Executive Deferred Compensation Plan and the Save-A-Lot Executive Deferred Compensation Plan II.

"Save-A-Lot Group" shall mean Save-A-Lot and each Person that is or will be a Subsidiary of Save-A-Lot as of or after the Effective Time (which Subsidiaries as of the Effective Time are specified on Schedule 1.14), even if, prior to the Effective Time, such Person is not a Subsidiary of Save-A-Lot.

"Save-A-Lot Group Employees" shall have the meaning set forth in Section 3.2(a).

"Save-A-Lot HSA" shall have the meaning set forth in Section 3.6(c).

"Save-A-Lot Indemnitees" shall have the meaning set forth in Section 4.3.

"Save-A-Lot Individual Agreement" shall mean the employment and retention contracts set forth in Schedule 1.3 and all restrictive covenant agreements (including confidentiality, noncompetition and nonsolicitation agreements) between a member of the Supervalu Group and a Save-A-Lot Group Employee, including the agreements set forth in Schedule 1.3, as in effect immediately prior to the Effective Time.

"Save-A-Lot Intellectual Property" shall mean the Registrable IP set forth on Schedule 1.4.

"Save-A-Lot Liabilities" shall have the meaning set forth in Section 2.3(a).

"Save-A-Lot LTD Employee" shall mean a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee who is, immediately before the time the Save-A-Lot Welfare Plans become effective, on a leave of absence from a member of the Save-A-Lot Group, receiving benefits under Supervalu's long-term disability plan and a participant under any Supervalu Welfare Plan pursuant to benefits continuation thereunder that are applicable to disabled employees.

"Save-A-Lot Nonqualified Plans" shall mean the Save-A-Lot Executive Deferred Compensation Plans.

"Save-A-Lot Owned Technology" shall mean all Technology owned (but not licensed) by either Party or any member of its Group exclusively used or exclusively held for use in the Save-A-Lot Business as of the Effective Time.

"Save-A-Lot Permits" shall mean (a) all Permits held, owned or licensed by any member of the Save-A-Lot Group as of the Effective Time and (b) all Permits held, owned or licensed by either Party or member of its Group as of the Effective Time exclusively used or exclusively held for use in the Save-A-Lot Business, including any Permits listed or described on Schedule 1.5.

"Save-A-Lot Real Property" shall mean (a) the Real Property owned by either Party or member of its Group as of the Effective Time primarily used or primarily held for use in the Save-A-Lot Business, including the Real Property set forth on Schedule 1.6 and (b) the Real Property Leases to which either Party or member of its Group is party as of the Effective Time with respect to leased Real Property primarily used or primarily held for use in the Save-A-Lot Business, including the Real Property set forth in section (a) of Schedule 1.7; provided that the Save-A-Lot Real Property shall not include the Real Property or Real Property Leases set forth in section (b) of Schedule 1.7.

"Save-A-Lot Records" shall have the meaning set forth in Section 2.2(a)(xii).

"Save-A-Lot Savings Plan" shall mean the Save-A-Lot 401(k) Plan.

"Save-A-Lot Savings Plan Trust" shall have the meaning set forth in Section 3.5(b)(i).

"Save-A-Lot Short-Term Incentive Plans" shall mean the annual or short-term incentive cash compensation plan sponsored or maintained by Save-A-Lot immediately following the Effective Time that are listed in Schedule 1.8.

"Save-A-Lot Software" shall mean all Software owned (but not licensed) by either Party or member of its Group exclusively used or exclusively held for use in the Save-A-Lot Business as of the Effective Time.

"Save-A-Lot Specified Actions" shall mean those Actions set forth on Schedule 1.9.

"Save-A-Lot Utility Deposits" shall have the meaning set forth in Section 2.2(a)(xi).

"Save-A-Lot Welfare Plans" shall mean the Welfare Plans established, sponsored, maintained or contributed to by any member of the Save-A-Lot Group for the benefit of Save-A-Lot Group Employees and Former Save-A-Lot Group Employees that are listed in Schedule 1.10.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Security Interest" shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Separation" shall have the meaning set forth in the Recitals.

"Services Agreement" shall mean the Services Agreement to be entered into by and between Supervalu and Save-A-Lot or any members of their respective Groups in connection with the Separation, the Merger or the other transactions contemplated by this Agreement.

"Service Agreement Contracts" shall have the meaning set forth in Section 2.2(b)(ii).

"Shared Contract" shall have the meaning set forth in Section 2.8(a).

"Shared Credit Support Instruments" shall have the meaning set forth in Section 2.5(c).

"Shared Third-Party Claim" shall have the meaning set forth in Section 4.5(a).

"Software" shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e)

documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Subsidiary" shall mean, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Supervalu" shall have the meaning set forth in the Preamble.

"Supervalu Accounts" shall have the meaning set forth in Section 2.9(a).

"Supervalu Assets" shall have the meaning set forth in Section 2.2(b).

"Supervalu Benefit Plan" shall mean any Benefit Plan established, sponsored or maintained by Supervalu or any of its Subsidiaries immediately prior to the Effective Time, excluding any Save-A-Lot Benefit Plan.

"Supervalu Business" shall mean all businesses, operations and activities (whether or not such businesses, operations or activities are or have been terminated, divested or discontinued) conducted at any time prior to the Effective Time by either Party or any member of its Group, other than the Save-A-Lot Business.

"Supervalu Credit Support Instruments" shall have the meaning set forth in Section 2.5(b)(i).

"Supervalu Executive Deferred Compensation Plans" shall mean the Supervalu Executive Deferred Compensation Plan (2008 Statement) and the Supervalu Executive Deferred Compensation Plan II.

"Supervalu Group" shall mean Supervalu and each Person that is a Subsidiary of Supervalu (other than Save-A-Lot and any other member of the Save-A-Lot Group).

"Supervalu Group Employees" shall have the meaning set forth in Section 3.2(a).

"Supervalu HSA" shall have the meaning set forth in Section 3.6(c).

"Supervalu Indemnitees" shall have the meaning set forth in Section 4.2.

"Supervalu Individual Agreement" shall mean any individual (a) employment contract, (b) retention, severance, or change of control agreement, (c) expatriate (including any international assignee) contract or agreement (including agreements and obligations regarding repatriation, relocation, equalization of taxes and living standards in the host country), or (d) other agreement containing restrictive covenants (including confidentiality, noncompetition and nonsolicitation

provisions) between a member of the Save-A-Lot Group and a Supervalu Group Employee as in effect immediately prior to the Effective Time.

"Supervalu Liabilities" shall have the meaning set forth in Section 2.3(b).

"Supervalu Name and Supervalu Marks" shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of either Party or any member of its Group in respect of or relating to the Supervalu Business, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing, including the items set forth on Schedule 1.11.

"Supervalu Nonqualified Plans" shall mean the Supervalu SERP and the Supervalu Executive Deferred Compensation Plans.

"Supervalu Pension Plan" shall mean the Supervalu Inc. Retirement Plan.

"Supervalu Real Property" shall mean all of the Real Property owned by either Party or member of its Group as of the Effective Time and all the Real Property Leases to which either Party or member of its Group is party as of the Effective Time, in each case other than Save-A-Lot Real Property.

"Supervalu Retiree Welfare Plan" shall mean the SUPERVALU Retiree Benefit Plan.

"Supervalu Savings Plan" shall mean the Supervalu STAR 401(k) Plan.

"Supervalu Savings Plan Trust" shall have the meaning set forth in Section 3.5(b)(ii).

"Supervalu SERP" shall mean the Supervalu Inc. Excess Benefits Plan.

"Supervalu Short-Term Incentive Plans" shall mean any annual or short-term incentive cash compensation plan sponsored or maintained by Supervalu immediately prior to the Effective Time, including the plans listed in Schedule 1.12.

"Supervalu Welfare Plan" shall mean any Welfare Plan established, sponsored, maintained, or contributed to by Supervalu or any of its Subsidiaries for the benefit of Employees or Former Employees, including each Welfare Plan listed in Schedule 1.13, excluding any Save-A-Lot Welfare Plan.

"Tax" or "Taxes" means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers' compensation, unemployment, disability, property, *ad valorem*, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other tax (and any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any Governmental Authority, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing, but excluding, in all cases, any escheat obligation.

"Technology" shall mean all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or nonpublic information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

"Third Party" shall mean any Person other than the Parties or any members of their respective Groups.

"Third-Party Claim" shall have the meaning set forth in Section 4.5(a).

"Transaction Expenses" shall have the meaning set forth in Section 7.9.

"Transfer Documents" shall have the meaning set forth in Section 2.1(b).

"Transferred FSA Account Balances" shall have the meaning set forth in Section 3.6(d).

"Transferring Supervalu Contracts" shall have the meaning set forth in the definition of Save-A-Lot Contracts.

"Unreleased Save-A-Lot Liability" shall have the meaning set forth in Section 2.5(a)(ii).

"Unreleased Supervalu Liability" shall have the meaning set forth in Section 2.5(b)(ii).

"Welfare Plan" shall mean any "welfare plan" (as defined in Section 3(1) of ERISA) or a "cafeteria plan" under Section 125 of the Code, and any benefits offered thereunder, and any other plan offering health benefits (including medical, prescription drug, dental, vision, mental health, substance abuse and retiree health), disability benefits or life, accidental death and dismemberment and business travel insurance, pre-tax premium conversion benefits, dependent care assistance programs, employee assistance programs, paid time-off programs, contribution funding toward a health savings account, flexible spending accounts or cashable credits.

## ARTICLE II

## THE SEPARATION

Section 2.1 Transfer of Assets and Assumption of Liabilities.

(a) On or prior to the Effective Time, but in any case, prior to the Merger, substantially in accordance with the plan and structure set forth on Schedule 2.1(a) (the "Plan of Reorganization"):

(i) *Transfer and Assignment of Save-A-Lot Assets*. Supervalu shall, and shall cause the applicable members of its Group to, contribute, assign, transfer, convey and deliver to Save-A-Lot, or the applicable Save-A-Lot Designees, and Save-A-Lot or such Save-A-Lot Designees shall accept from Supervalu and the applicable members of the Supervalu Group, all of Supervalu's and such Supervalu Group member's respective direct or

indirect right, title and interest in and to all of the Save-A-Lot Assets (it being understood that if any Save-A-Lot Asset shall be held by a member of the Save-A-Lot Group, such Save-A-Lot Asset may be assigned, transferred, conveyed and delivered to Save-A-Lot as a result of the transfer of all of the equity interests in such member of the Save-A-Lot Group from Supervalu or the applicable members of the Supervalu Group to Save-A-Lot or the applicable Save-A-Lot Designee).

(ii) *Acceptance and Assumption of Save-A-Lot Liabilities*. Save-A-Lot and the applicable Save-A-Lot Designees shall accept, assume and agree faithfully to perform, discharge and fulfill all of the Save-A-Lot Liabilities in accordance with their respective terms. Save-A-Lot and such Save-A-Lot Designees shall be responsible for all Save-A-Lot Liabilities, regardless of when or where such Save-A-Lot Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Time, regardless of where or against whom such Save-A-Lot Liabilities are asserted or determined (including any Save-A-Lot Liabilities arising out of claims made by Supervalu's or Save-A-Lot's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Supervalu Group or the Save-A-Lot Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Supervalu Group or the Save-A-Lot Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(iii) *Transfer and Assignment of Supervalu Assets*. Supervalu and Save-A-Lot shall cause Save-A-Lot and each member of their respective Groups to assign, transfer, convey and deliver to Supervalu or certain members of the Supervalu Group designated by Supervalu, and Supervalu or such other members of the Supervalu Group shall accept from Save-A-Lot and members of the Save-A-Lot Group, all of Save-A-Lot's and each such Save-A-Lot Group member's respective direct or indirect right, title and interest in and to all Supervalu Assets held by Save-A-Lot or a member of the Save-A-Lot Group.

(iv) *Acceptance and Assumption of Supervalu Liabilities*. Supervalu and certain members of the Supervalu Group designated by Supervalu shall accept and assume and agree faithfully to perform, discharge and fulfill all of the Supervalu Liabilities of Save-A-Lot or any member of the Save-A-Lot Group and Supervalu and the applicable members of the Supervalu Group shall be responsible for all Supervalu Liabilities in accordance with their respective terms, regardless of when or where such Supervalu Liabilities arose or arise, whether the facts on which they are based occurred prior to or subsequent to the Effective Time, where or against whom such Supervalu Liabilities are asserted or determined (including any such Supervalu Liabilities arising out of claims made by Supervalu's or Save-A-Lot's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Supervalu Group or the Save-A-Lot Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Supervalu Group or the Save-A-Lot Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(b) Transfer Documents. In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), (i) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of Contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of the right, title and interest of such Party and the applicable members of its Group in and to such Assets to the other Party and the applicable members of its Group in accordance with Section 2.1(a), and (ii) each Party shall execute and deliver, and shall cause the applicable members of its Group to execute and deliver, to the other Party such assumptions of Contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party and the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) shall be referred to collectively herein as the "Transfer Documents." Notwithstanding anything to the contrary in any of the Transfer Documents entered into in connection with the transfer of Real Property, no warranty or any other provision contained therein shall act to increase either Party's Liability beyond that which is provided for under this Agreement.

(c) *Misallocations*. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party (or any member of such Party's respective Group) shall receive or otherwise possess any Asset that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept such Asset. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for any such other Person. In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of such Party's respective Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Liability to the Party responsible therefor (or to any member of such Party's Group), and such Party (or member of such Party's Group) shall accept, assume and agree to faithfully perform such Liability.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws*. Save-A-Lot hereby waives compliance by each and every member of the Supervalu Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Save-A-Lot Assets to any member of the Save-A-Lot Group. Supervalu hereby waives compliance by each and every member of the Save-A-Lot Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Supervalu Assets to any member of the Supervalu Group.

Section 2.2 Save-A-Lot Assets; Supervalu Assets.

(a) *Save-A-Lot Assets*. For purposes of this Agreement, "Save-A-Lot Assets" shall mean, without duplication, other than any Tax Assets:

(i) all issued and outstanding capital stock or other equity interests of the members of the Save-A-Lot Group that are owned by either Party or any members of its Group as of the Effective Time;

(ii) except as otherwise set forth in this Section 2.2(a) and except for the Assets listed on Schedule 2.2(a)(ii), all Assets of either Party or any members of its Group included or reflected as assets of the Save-A-Lot Group on the Save-A-Lot Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the Save-A-Lot Balance Sheet; provided that the amounts set forth on the Save-A-Lot Balance Sheet with respect to any Assets shall not be treated as minimum or maximum amounts or limitations on the amount of such Assets that are included in the definition of Save-A-Lot Assets pursuant to this clause (ii);

(iii) except as otherwise set forth in this Section 2.2(a), all Assets of either Party or any of the members of its Group as of the Effective Time that are of a nature or type that would have resulted in such Assets being included as Assets of Save-A-Lot or members of the Save-A-Lot Group on a combined balance sheet of the Save-A-Lot Group or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Assets included on the Save-A-Lot Balance Sheet), it being understood that (x) the Save-A-Lot Balance Sheet shall be used to determine those Assets that are included in the definition of Save-A-Lot Assets pursuant to this subclause (iii); and (y) the amounts set forth on the Save-A-Lot Balance Sheet with respect to any Assets shall not be treated as minimum amounts or limitations on the amount of such Assets that are included in the definition of Save-A-Lot Assets pursuant to this subclause (iii);

(iv) all Assets of either Party or any of the members of its Group as of the Effective Time that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be transferred to Save-A-Lot or any other member of the Save-A-Lot Group;

(v) all Save-A-Lot Contracts as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(vi) all Save-A-Lot Intellectual Property, Save-A-Lot Software and Save-A-Lot Owned Technology as of the Effective Time, and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time, including without limitation the right to sue and recover damages for past, present, and future infringement of any such Intellectual Property or Intellectual Property rights associated with such Software and Technology and all goodwill associated with any trademarks included in such Intellectual Property;

(vii) all Save-A-Lot Permits as of the Effective Time and all rights, interests or claims of either Party or any of the members of its Group thereunder as of the Effective Time;

(viii) all Save-A-Lot Real Property as of the Effective Time;

(ix) all Assets, other than Contracts, Intellectual Property, Software, Technology, Permits, Real Property, Licensed Software, Licensed Technology, Cash, Information and the Assets specified on Schedule 2.2(a)(ii), of either Party or any of the members of its Group as of the Effective Time that are primarily used or primarily held for use in, or primarily related to, the Save-A-Lot Business;

(x) the Save-A-Lot Cash;

(xi) all security deposits with the Persons set forth on Schedule 2.2(a)(xi), which Schedule shall be updated by the Parties prior to the Effective Time ("Save-A-Lot Utility Deposits");

(xii) any Records to the extent related to the Save-A-Lot Business and to the extent required to be transferred to Save-A-Lot pursuant to Section 5.2 (the "Save-A-Lot Records");

(xiii) all rights, interests and claims of either Party or any of the members of its Group as of the Effective Time with respect to Information to the extent exclusively related to, used by or held by the Save-A-Lot Assets, the Save-A-Lot Liabilities, the Save-A-Lot Business or as of the Effective Time the members of the Save-A-Lot Group and, subject to the provisions of the applicable Ancillary Agreements, a non-exclusive, perpetual, royalty-free, irrevocable, license and right to use, modify, and otherwise exploit all Information that is related to, used by or held by, but not exclusively related to, used by, or held by, the Save-A-Lot Assets, the Save-A-Lot Liabilities, the Save-A-Lot Business or as of the Effective Time the members of the Save-A-Lot Group (it being understood that Supervalu will have no obligation to incur any cost or expense to separate such Information from other Information of Supervalu, but shall provide copies or extracts of such Information from other Information of Supervalu to the extent reasonably practicable and reasonably requested at Supervalu's expense (unless otherwise provided in the Services Agreement));

(xiv) all Assets of any Save-A-Lot Benefit Plan; and

(xv) any and all Assets set forth on Schedule 2.2(a)(xiv).

Notwithstanding the foregoing, the Save-A-Lot Assets shall not in any event include any Asset referred to in Section 2.2(b).

(b) *Supervalu Assets*. For the purposes of this Agreement, "Supervalu Assets" shall mean all Assets of either Party or the members of its Group as of the Effective Time other than the Save-A-Lot Assets and other than Tax Assets. Notwithstanding anything in this Agreement to the contrary, the Supervalu Assets shall include, and the Save-A-Lot Assets shall not include, without duplication:

(i) all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Assets to be retained by Supervalu or any other member of the Supervalu Group;

(ii) all Assets that are required or necessary to be retained by Supervalu to perform any of its obligations under the Services Agreement (including the Schedules thereto), including any Contract that is required or necessary to be retained by Supervalu to perform any of its obligations under the Services Agreement (including the Schedules thereto) (all such Contracts, "Service Agreement Contracts"), it being acknowledged and agreed that any such Assets, including such Service Agreement Contracts, that would otherwise constitute Save-A-Lot Assets hereunder, shall automatically transfer to Save-A-Lot or its Save-A-Lot Designee on the terms and conditions set forth herein immediately following the expiration of the Services Agreement or any portion thereof to which such Assets, including such Service Agreement Contracts, relates;

(iii) all Contracts, Intellectual Property, Software (excluding the Save-A-Lot Software), Technology, Licensed Software, Licensed Technology, Cash and Records of either Party or any of the members of its Group as of the Effective Time (other than the Save-A-Lot Contracts, Save-A-Lot Intellectual Property, Save-A-Lot Owned Technology, Save-A-Lot Cash and Save-A-Lot Records), including the Supervalu Name and Supervalu Marks and the Intellectual Property set forth on Schedule 2.2(b)(iii);

(iv) all Permits of either Party or any of the members of its Group as of the Effective Time (other than the Save-A-Lot Permits);

(v) all Supervalu Real Property as of the Effective Time;

(vi) all Assets of any Supervalu Benefit Plan; and

(vii) any and all Assets set forth on Schedule 2.2(b)(vi).

Section 2.3 Save-A-Lot Liabilities; Supervalu Liabilities.

(a) *Save-A-Lot Liabilities*. For the purposes of this Agreement, "Save-A-Lot Liabilities" shall mean the following Liabilities of either Party or any of the members of its Group (excluding any Tax Liabilities):

(i) except as otherwise set forth in this Section 2.3(a), all Liabilities to the extent included or reflected as liabilities or obligations of Save-A-Lot or the members of the Save-A-Lot Group on the Save-A-Lot Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the Save-A-Lot Balance Sheet; provided that the amounts set forth on the Save-A-Lot Balance Sheet with respect to any Liabilities shall not be treated as minimum or maximum amounts or limitations on the amount of such Liabilities that are included in the definition of Save-A-Lot Liabilities pursuant to this subclause (i);

(ii) all Liabilities as of the Effective Time that are of a nature or type that would have resulted in such Liabilities being properly included or reflected as liabilities or obligations of Save-A-Lot or the members of the Save-A-Lot Group on the combined balance sheet of the Save-A-Lot Business or any notes or subledgers thereto as of the Effective Time (were such balance sheet, notes and subledgers to be prepared on a basis consistent with the determination of the Liabilities included on the Save-A-Lot Balance Sheet), it being understood that (x) the Save-A-Lot Balance Sheet shall be used to determine

those Liabilities that are included in the definition of Save-A-Lot Liabilities pursuant to this subclause (ii); and (y) the amounts set forth on the Save-A-Lot Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of Save-A-Lot Liabilities pursuant to this subclause (ii);

(iii) except as otherwise provided pursuant to clauses (iv) through (xii) of this Section 2.3(a), all Liabilities, including any Environmental Liabilities, relating to, arising out of or resulting from the actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time) of any member of the Save-A-Lot Group or, prior to the Effective Time, any member of the Supervalu Group, in each case to the extent that such Liabilities relate to, arise out of or result from the Save-A-Lot Business or a Save-A-Lot Asset;

(iv) any and all Liabilities that are expressly provided by this Agreement or any Ancillary Agreement (or the Schedules hereto or thereto) as Liabilities to be assumed by Save-A-Lot or any other member of the Save-A-Lot Group, and all agreements, obligations and Liabilities of any member of the Save-A-Lot Group under this Agreement or any of the Ancillary Agreements;

(v) all Liabilities relating to, arising out of or resulting from the Save-A-Lot Contracts, the Save-A-Lot Intellectual Property, the Save-A-Lot Software (except any use of the Save-A-Lot Software by or on behalf of any member of the Supervalu Group), the Save-A-Lot Owned Technology, or the Save-A-Lot Permits;

(vi) all Liabilities relating to, arising out of or resulting from the Save-A-Lot Real Property;

(vii) all Liabilities relating to, arising out of or resulting from any third-party Actions, whether prior to or following the Effective Time, to the extent related to the Save-A-Lot Business, including all Liabilities relating to, arising out of or resulting from the Save-A-Lot Specified Actions;

(viii) any and all wages, salaries, and commissions payable to or on behalf of any Save-A-Lot Group Employees and Former Save-A-Lot Group Employees, together with Liabilities for incentive compensation, bonuses and other employee compensation and benefits for Save-A-Lot Group Employees and Former Save-A-Lot Group Employees to the extent such Liabilities are contemplated to be Liabilities of the Save-A-Lot Group pursuant to Article III hereof;

(ix) any and all Liabilities whatsoever with respect to claims made by or with respect to any Save-A-Lot Group Employees or Former Save-A-Lot Group Employees in connection with any Benefit Plan not retained or assumed by any member of the Supervalu Group pursuant to this Agreement;

(x) the Transaction Expenses allocated to Save-A-Lot pursuant to Section 7.9;

(xi) any and all Liabilities set forth on Schedule 2.3(a)(xi); and

(xii) all Liabilities arising out of claims made by any Third Party (including Supervalu's or Save-A-Lot's respective directors, officers, stockholders, employees and agents) against any member of the Supervalu Group or the Save-A-Lot Group to the extent relating to, arising out of or resulting from the Save-A-Lot Business or the Save-A-Lot Assets or the other business, operations, activities or Liabilities referred to in the foregoing subclauses of this Section 2.3(a).

Notwithstanding the foregoing, Save-A-Lot Liabilities shall not include any Liabilities that are expressly contemplated to be retained by Supervalu pursuant to the other provisions of this Agreement, including Article III.

(b) *Supervalu Liabilities*. For the purposes of this Agreement, "Supervalu Liabilities" shall mean (i) subject to clause (ii) of this Section 2.3(b), all Liabilities relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time) of any member of the Supervalu Group and, prior to the Effective Time, any member of the Save-A-Lot Group to the extent such Liabilities are not Save-A-Lot Liabilities, and (ii) (A) all Liabilities relating to, arising out of or resulting from any third-party Actions to the extent such Liabilities are not Save-A-Lot Liabilities and (B) all Liabilities arising out of claims made by any Third Party (including Supervalu's or Save-A-Lot's respective directors, officers, stockholders, employees and agents) against any member of the Supervalu Group or the Save-A-Lot Group to the extent relating to, arising out of or resulting from the Supervalu Business or the Supervalu Assets; provided that Supervalu Liabilities shall exclude all Tax Liabilities.

Section 2.4 Approvals and Notifications.

(a) *Approvals and Notifications for Save-A-Lot Assets*. To the extent that the transfer or assignment of any material Save-A-Lot Asset, the assumption of any material Save-A-Lot Liability, the Separation, or the Merger requires any Approvals or Notifications, from and after the date hereof, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable.

(b) *Delayed Save-A-Lot Transfers*. If and to the extent that the valid, complete and perfected transfer or assignment to the Save-A-Lot Group of any Save-A-Lot Asset or assumption by the Save-A-Lot Group of any Save-A-Lot Liability would be a violation of applicable Law or require any Approvals or Notifications in connection with the Separation or the Merger that has not been obtained or made by the Effective Time, then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the Save-A-Lot Group of such Save-A-Lot Assets or the assumption by the Save-A-Lot Group of such Save-A-Lot Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or

Notifications have been obtained or made. Notwithstanding the foregoing, any such Save-A-Lot Assets or Save-A-Lot Liabilities shall continue to constitute Save-A-Lot Assets and Save-A-Lot Liabilities for all other purposes of this Agreement.

(c) *Treatment of Delayed Save-A-Lot Assets and Delayed Save-A-Lot Liabilities*. If any transfer or assignment of any Save-A-Lot Asset or any assumption of any Save-A-Lot Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time, whether as a result of the provisions of Section 2.4(b) or for any other reason (any such Save-A-Lot Asset, a "Delayed Save-A-Lot Asset" and any such Save-A-Lot Liability, a "Delayed Save-A-Lot Liability"), then, insofar as reasonably possible and subject to applicable Law, the member of the Supervalu Group retaining such Delayed Save-A-Lot Asset or such Delayed Save-A-Lot Liability, as the case may be, shall thereafter retain such Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability, as the case may be, for the use and benefit of the member of the Save-A-Lot Group entitled thereto (at the expense of the member of the Save-A-Lot Group entitled thereto). In addition, the member of the Supervalu Group retaining such Delayed Save-A-Lot Asset or such Delayed Save-A-Lot Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the Save-A-Lot Group to whom such Delayed Save-A-Lot Asset is to be transferred or assigned, or which will assume such Delayed Save-A-Lot Liability, as the case may be, in order to place such member of the Save-A-Lot Group in a substantially similar position as if such Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability, as the case may be, and all costs and expenses related thereto (except as set forth on Schedule 7.9), shall inure from and after the Effective Time to the applicable member(s) of the Save-A-Lot Group.

(d) *Transfer of Delayed Save-A-Lot Assets and Delayed Save-A-Lot Liabilities*. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Save-A-Lot Asset or the deferral of assumption of any Delayed Save-A-Lot Liability pursuant to Section 2.4(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed Save-A-Lot Asset or the assumption of any Delayed Save-A-Lot Liability have been removed, the transfer or assignment of the applicable Delayed Save-A-Lot Asset or the assumption of the applicable Delayed Save-A-Lot Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(e) *Costs for Delayed Save-A-Lot Assets and Delayed Save-A-Lot Liabilities*. Any member of the Supervalu Group retaining a Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability due to the deferral of the transfer or assignment of such Delayed Save-A-Lot Asset or the deferral of the assumption of such Delayed Save-A-Lot Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Save-A-Lot or the Affiliate of Save-A-Lot entitled to the Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by

Save-A-Lot or the member of the Save-A-Lot Group entitled to such Delayed Save-A-Lot Asset or Delayed Save-A-Lot Liability.

(f) *Approvals and Notifications for Supervalu Assets*. To the extent that the transfer or assignment of any Supervalu Asset, the assumption of any Supervalu Liability, the Separation, or (except as otherwise provided in the Merger Agreement) the Merger requires any Approvals or Notifications, from and after the date hereof, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable.

(g) *Delayed Supervalu Transfers*. If and to the extent that the valid, complete and perfected transfer or assignment to the Supervalu Group of any material Supervalu Asset or assumption by the Supervalu Group of any material Supervalu Liability would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Effective Time, then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the Supervalu Group of such Supervalu Assets or the assumption by the Supervalu Group of such Supervalu Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such Supervalu Assets or Supervalu Liabilities shall continue to constitute Supervalu Assets and Supervalu Liabilities for all other purposes of this Agreement.

(h) *Treatment of Delayed Supervalu Assets and Delayed Supervalu Liabilities*. If any transfer or assignment of any Supervalu Asset or any assumption of any Supervalu Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time whether as a result of the provisions of this Section 2.4(h) or for any other reason (any such Supervalu Asset, a "Delayed Supervalu Asset" and any such Supervalu Liability, a "Delayed Supervalu Liability"), then, insofar as reasonably possible, the member of the Save-A-Lot Group retaining such Delayed Supervalu Asset or such Delayed Supervalu Liability, as the case may be, shall thereafter retain such Delayed Supervalu Asset or Delayed Supervalu Liability, as the case may be, for the use and benefit of the member of the Supervalu Group entitled thereto (at the expense of the member of the Supervalu Group entitled thereto). In addition, the member of the Save-A-Lot Group retaining such Delayed Supervalu Asset or such Delayed Supervalu Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed Supervalu Asset or Delayed Supervalu Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the Supervalu Group to which such Delayed Supervalu Asset is to be transferred or assigned, or which will assume such Delayed Supervalu Liability, as the case may be, in order to place such member of the Supervalu Group in a substantially similar position as if such Delayed Supervalu Asset or Delayed Supervalu Liability had been transferred, assigned or assumed and so that all the benefits and burdens relating to such Delayed Supervalu Asset or Delayed Supervalu Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Delayed Supervalu Asset or Delayed Supervalu Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the applicable member(s) of the Supervalu Group.

(i) *Transfer of Delayed Supervalu Assets and Delayed Supervalu Liabilities*. If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Delayed Supervalu Asset or the deferral of assumption of any Delayed Supervalu Liability, are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed Supervalu Asset or the assumption of any Delayed Supervalu Liability have been removed, the transfer or assignment of the applicable Delayed Supervalu Asset or the assumption of the applicable Delayed Supervalu Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement.

(j) *Costs for Delayed Supervalu Assets and Delayed Supervalu Liabilities*. Any member of the Save-A-Lot Group retaining a Delayed Supervalu Asset or Delayed Supervalu Liability due to the deferral of the transfer or assignment of such Delayed Supervalu Asset or the deferral of the assumption of such Delayed Supervalu Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Supervalu or the member of the Supervalu Group entitled to the Delayed Supervalu Asset or Delayed Supervalu Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Supervalu or the member of the Supervalu Group entitled to such Delayed Supervalu Asset or Delayed Supervalu Liability.

(k) Each of Supervalu and Save-A-Lot shall, and shall cause the members of its Group to, (i) treat for all income Tax purposes all Save-A-Lot Delayed Assets as being transferred to, and all Save-A-Lot Delayed Liabilities as being assumed by, Save-A-Lot no later than the Effective Time, (ii) treat for all income Tax purposes all Supervalu Delayed Assets as being transferred to, and all Supervalu Delayed Liabilities as being assumed by, Supervalu no later than the Effective Time, and (iii) not report or take any Tax position (on a Tax return or otherwise) inconsistent with such treatment (unless required by applicable Law, and provided that in the case of a Tax proceeding in which the relevant taxing authority initiates a challenge to such treatment, nothing contained herein shall prevent the Parties or their Affiliates from settling any such Tax proceeding with such taxing authority relating to such treatment after making a reasonable, good faith effort to defend such treatment).

Section 2.5 Novation of Liabilities.

(a) *Novation of Save-A-Lot Liabilities*.

(i) Prior to the Effective Time, Save-A-Lot, at the request of Supervalu, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign any and all Save-A-Lot Liabilities, including any guarantee, surety bond, letter of credit, letter of comfort, bid bond, performance bond or other financial assurance arrangement or commitment (collectively, "Credit Support Instruments") obtained solely for the benefit of the Save-A-Lot Group (collectively, the "Save-A-Lot Credit Support Instruments") and any claims relating to the Save-A-Lot Business under Supervalu's third-party insurance policies existing on the date hereof (the "Save-A-Lot Insurance Claims"), and obtain in writing the unconditional release of each member of the Supervalu Group that is a party to or otherwise obligated under any such arrangements, to the extent permitted by

applicable Law and effective as of the Effective Time, so that, in any such case, the members of the Save-A-Lot Group shall be solely responsible for such Save-A-Lot Liabilities, including those Save-A-Lot Credit Support Instruments set forth in Schedule 2.5(a)(i) and those Save-A-Lot Insurance Claims set forth in Schedule 2.5(a)(ii), each of which Schedules shall be updated by the parties consistent with the terms of this Agreement prior to the Effective Time. To the extent such substitution contemplated by the first sentence of this Section 2.5(a) has been effected, the members of the Supervalu Group shall from and after the Effective Time cease to have any obligation whatsoever arising from or in connection with such Save-A-Lot Liabilities, including the Save-A-Lot Credit Support Instruments.

(ii) If Save-A-Lot is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release, and the applicable member of the Supervalu Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Save-A-Lot Liability"), Save-A-Lot or the relevant member of the Save-A-Lot Group shall, to the extent not prohibited by Law, (A) use its commercially reasonable effort to effect such consent, substitution, approval, amendment or release as soon as practicable following the Effective Time, but in any event within six (6) months thereof, and (B) as indemnitor, guarantor, agent or subcontractor for such member of the Supervalu Group, as the case may be, (1) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Supervalu Group that constitute Unreleased Save-A-Lot Liabilities from and after the Effective Time, including by paying such member of the Supervalu Group for any costs and expenses of carrying any Save-A-Lot Credit Support Instrument from and after the Effective Time and (2) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Supervalu Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Save-A-Lot Liabilities shall otherwise become assignable or able to be novated, Supervalu shall promptly assign, or cause to be assigned, and Save-A-Lot or the applicable Save-A-Lot Group member shall assume, such Unreleased Save-A-Lot Liabilities without exchange of further consideration.

(iii) If Save-A-Lot is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release as set forth in clause (ii) of this Section 2.5(a), Save-A-Lot and any relevant member of its Group that has assumed the applicable Unreleased Save-A-Lot Liability shall indemnify, defend and hold harmless Supervalu against or from such Unreleased Save-A-Lot Liability in accordance with the provisions of Article IV and shall, as agent or subcontractor for Supervalu, pay, perform and discharge fully all the obligations or other Liabilities of Supervalu thereunder.

(b) *Novation of Supervalu Liabilities*.

(i) Prior to the Effective Time, Supervalu, at the request of Save-A-Lot, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign any and all Supervalu Liabilities, including any Credit Support Instruments obtained solely for the benefit of the Supervalu Group (and not for the Save-A-Lot Business) (collectively, the "Supervalu Credit Support Instruments"), and obtain in writing the

unconditional release of each member of the Save-A-Lot Group that is a party to or otherwise obligated under any such arrangements, so that, in any such case, the members of the Supervalu Group shall be solely responsible for such Supervalu Liabilities.

(ii) If Supervalu is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Save-A-Lot Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an "Unreleased Supervalu Liability"), Supervalu shall, to the extent not prohibited by Law, (A) use its commercially reasonable effort to effect such consent, substitution, approval, amendment or release as soon as practicable following the Effective Time, but in any event within six (6) months thereof, and (B) as indemnitor, guarantor, agent or subcontractor for such member of the Save-A-Lot Group, as the case may be, (1) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Save-A-Lot Group that constitute Unreleased Supervalu Liabilities from and after the Effective Time, including by paying such member of the Save-A-Lot Group for any costs and expenses of carrying any Supervalu Credit Support Instrument from and after the Effective Time and (2) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Save-A-Lot Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Supervalu Liabilities shall otherwise become assignable or able to be novated, Save-A-Lot shall promptly assign, or cause to be assigned, and Supervalu or the applicable Supervalu Group member shall assume, such Unreleased Supervalu Liabilities without exchange of further consideration.

(iii) If Supervalu is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release as set forth in clause (ii) of this Section 2.5(b), Supervalu or the relevant member of its Group that has assumed the applicable Unreleased Supervalu Liability shall indemnify, defend and hold harmless Save-A-Lot against or from such Unreleased Supervalu Liability in accordance with the provisions of Article IV and shall, as agent or subcontractor for Save-A-Lot, pay, perform and discharge fully all the obligations or other Liabilities of Save-A-Lot thereunder.

(c) *Shared Credit Support Instruments*. In the event that any Credit Support Instrument is for the benefit of both Save-A-Lot (or a member of the Save-A-Lot Group) and Supervalu (or a member of the Supervalu Group), including those set forth on Schedule 2.5(c) (the "Shared Credit Support Instruments"), Save-A-Lot and Supervalu shall use their respective commercially reasonable efforts to cause each such Shared Credit Support Instrument to be novated or cancelled and rewritten to reflect the amount of business or claims supported thereby of Save-A-Lot and the members of the Save-A-Lot Group, on the one hand, and Supervalu and the members of the Supervalu Group, on the other hand, at or prior to the Effective Time. Prior to such novation or cancellation and rewriting, any costs and expenses in connection with any such Shared Credit Support Instrument shall be allocated between Save-A-Lot and Supervalu based on their respective amounts of business or claims supported thereby, as reasonably determined by the applicable third-party beneficiary of the relevant Shared Credit Support Instrument to be proportionate to the extent to which such Shared Credit Support Instrument is for the benefit of the Save-A-Lot Group, on the one hand, and the Supervalu Group, on the other hand. To the extent such cancellation and rewriting

contemplated by the first sentence of this Section 2.5(c) in respect of the Shared Credit Support Instruments has not been effected at or prior to the Effective Time, (x) each of Save-A-Lot and Supervalu shall use commercially reasonable efforts to effect such substitution as soon as practicable following the Effective Time, but in any event within six (6) months thereof, (y) Save-A-Lot shall promptly reimburse and indemnify, defend and hold harmless Supervalu (and any member of the Supervalu Group) with respect to any obligations of Supervalu and any member of the Supervalu Group, as applicable, under such Shared Credit Support Instruments arising out of an underlying claim to the extent related to Save-A-Lot (and any member of the Save-A-Lot Group), and (z) Supervalu shall promptly reimburse and indemnify, defend and hold harmless Save-A-Lot (and any member of the Save-A-Lot Group) with respect to any obligations of Save-A-Lot and any member of the Save-A-Lot Group, as applicable, under such Shared Credit Support Instruments arising out of an underlying claim to the extent related to Supervalu (and any member of the Supervalu Group).

Section 2.6 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.5:

(a) On or prior to the Effective Time or as soon as practicable thereafter, each of Supervalu and Save-A-Lot shall, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such Party's Group, use commercially reasonable efforts to (i) have any member(s) of the Supervalu Group removed as guarantor of or obligor for any Save-A-Lot Liability to the extent that they relate to Save-A-Lot Liabilities, including the removal of any Security Interest on or in any Supervalu Asset that may serve as collateral or security for any such Save-A-Lot Liability; and (ii) have any member(s) of the Save-A-Lot Group removed as guarantor of or obligor for any Supervalu Liability to the extent that they relate to Supervalu Liabilities, including the removal of any Security Interest on or in any Save-A-Lot Asset that may serve as collateral or security for any such Supervalu Liability.

(b) To the extent required to obtain a release from a guarantee releasing:

(i) any member of the Supervalu Group, Save-A-Lot shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any Supervalu Asset that may serve as collateral or security for any such Save-A-Lot Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (i) with which Save-A-Lot would be reasonably unable to comply or (ii) which Save-A-Lot would not reasonably be able to avoid breaching; and

(ii) any member of the Save-A-Lot Group, Supervalu shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, which agreement shall include the removal of any Security Interest on or in any Save-A-Lot Asset that may serve as collateral or security for any such Supervalu Liability, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (i) with which Supervalu would be reasonably unable to comply or (ii) which Supervalu would not reasonably be able to avoid breaching.

(c) If Supervalu or Save-A-Lot is unable to obtain, or to cause to be obtained, any such required removal or release as set forth in clauses (a) and (b) of this Section 2.6, (i) the Party and the relevant member of its Group that has assumed the Liability with respect to such guarantee shall indemnify, defend and hold harmless the guarantor or obligor against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder; and (ii) each of Supervalu and Save-A-Lot, on behalf of itself and the other members of their respective Group, without the prior written consent of the other (not to be unreasonably withheld, conditioned or delayed) agree not to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, lease, Contract or other obligation for which the other Party or a member of its Group is or may be liable unless all obligations of such other Party and the members of such other Party's Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to such other Party.

Section 2.7 Intercompany Agreements and Accounts.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 4.1, Save-A-Lot and each member of the Save-A-Lot Group, on the one hand, and Supervalu and each member of the Supervalu Group, on the other hand, shall terminate any and all agreements, arrangements, commitments, understandings and intercompany accounts receivable, accounts payable and other intercompany accounts, whether or not in writing, between or among Save-A-Lot and/or any member of the Save-A-Lot Group, on the one hand, and Supervalu and/or any member of the Supervalu Group, on the other hand, effective as of the Effective Time. No such terminated agreement, arrangement, commitment, understanding or intercompany accounts receivable, accounts payable and other intercompany accounts (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments, understandings or intercompany accounts receivable, accounts payable and other intercompany accounts (or to any of the provisions thereof):

(i) this Agreement, the Merger Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Effective Time);

(ii) any agreements, arrangements, commitments, understandings or intercompany accounts receivable, accounts payable and other intercompany accounts listed or described on Schedule 2.7(b)(ii), which shall be treated as described therein;

(iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party, including any Shared Contracts;

(iv) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of Supervalu or Save-A-Lot, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and

(v) any Shared Contracts.

Section 2.8 Treatment of Shared Contracts.

(a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree or the benefits of any Contract described in this Section 2.8 are expressly conveyed to the applicable Party pursuant to this Agreement or an Ancillary Agreement, any Contract, other than any Service Agreement Contract, a portion of which relates to matters that would be the subject of a Save-A-Lot Contract, but the remainder of which relates to matters that would be the subject of a Supervalu Asset (any such Contract, including the Contracts set forth on Schedule 2.8(a), and other than any Service Agreement Contract, a "Shared Contract"), shall be assigned, at or prior to the Effective Time, in relevant part to the applicable member(s) of the applicable Group, or appropriately amended or novated prior to, at or after the Effective Time, so that each Party or the member of its Group shall, as of the Effective Time, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to its respective businesses to the same extent received and borne as of immediately prior to the Effective Time, in each case in the manner described on Schedule 2.8(a), if any, with respect to such Shared Contract; provided, however, that (i) in no event shall any member of any Group be required to assign (or amend) any portion of any Shared Contract which is not so assignable (or cannot be so amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (ii) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Shared Contract, then the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Shared Contract so as to allow such other Party the ability to exercise any applicable rights under such Shared Contract) to cause a member of the Save-A-Lot Group or the Supervalu Group, as the case may be, to receive the rights and benefits of that portion of each Shared Contract that relates to the Save-A-Lot Business or the Supervalu Business, as the case may be (in each case, to the extent so related), as if such Shared Contract had been assigned to (or amended to allow) a member of the applicable Group pursuant to this Section 2.8, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement, except to the extent set forth on Schedule 7.9), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 2.8.

(b) Each of Supervalu and Save-A-Lot shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as Assets owned by, and/or Liabilities of, as applicable, such Party, or the members of its Group, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax return or otherwise) inconsistent with such treatment (unless required by applicable Law, and provided that in the case of a tax proceeding in which the relevant taxing

authority initiates a challenge to such treatment, nothing contained herein shall prevent the Parties or their Affiliates from settling any such dispute with a taxing authority relating to such treatment after making a reasonable, good faith effort to defend such treatment).

(c) Except as otherwise described on Schedule 2.8(a) in respect of a Shared Contract or as set forth in Schedule 7.9, nothing in Section 2.8(a) shall require any member of any Group to make any payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any obligation or grant any concession for the benefit of any member of any other Group in order to effect any transaction contemplated by this Section 2.8.

Section 2.9 Bank Accounts; Outstanding Checks.

(a) Each Party agrees to take, or cause the members of its Group to take, at the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all Contracts governing each bank and brokerage account owned by Save-A-Lot or any other member of the Save-A-Lot Group (collectively, the "Save-A-Lot Accounts") and all Contracts governing each bank or brokerage account owned by Supervalu or any other member of the Supervalu Group (collectively, the "Supervalu Accounts") so that each such Save-A-Lot Account and Supervalu Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "Linked") to any Supervalu Account or Save-A-Lot Account, respectively, is de-Linked from such Supervalu Account or Save-A-Lot Account, respectively.

(b) With respect to any outstanding checks issued or payments initiated by Supervalu, Save-A-Lot, or any of the members of their respective Groups prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(c) As between Supervalu and Save-A-Lot (and the members of their respective Groups), all payments made and reimbursements received after the Effective Time by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such Party of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set- off.

Section 2.10 Ancillary Agreements. Effective on or prior to the Effective Time, each of Supervalu and Save-A-Lot will, or will cause the applicable members of their respective Groups to, execute and deliver all Ancillary Agreements to which it or any member of their respective Groups is a party.

Section 2.11 Disclaimer of Representations and Warranties. EACH OF SUPERVALU (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SUPERVALU GROUP) AND SAVE-A-LOT (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SAVE-A-LOT GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN

ANY ANCILLARY AGREEMENT OR THE MERGER AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN ANY ANCILLARY AGREEMENT OR THE MERGER AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR, WITHOUT LIMITATION, THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

## ARTICLE III

## EMPLOYEE MATTERS

Section 3.1 General Principles.

(a) *Service Credit.*

(i) *Service for Eligibility, Vesting and Benefit Purposes*. The Save-A-Lot Benefit Plans established pursuant to Section 3.1(b)(i) shall give each Save-A-Lot Group Employee full credit for all purposes for such Save-A-Lot Group Employee's service prior to the Effective Time with Supervalu and its applicable Affiliates (including the Save-A-Lot Group) and their respective predecessors, to the same extent such service is recognized by Supervalu and its applicable Affiliates (including the Save-A-Lot Group) immediately prior to the Effective Time. As of and after the Effective Time, for purposes of eligibility and vesting and, with respect to vacation, paid time off and any applicable severance plans, for purposes of determining the level of benefits thereunder, Save-A-Lot shall or shall cause the applicable members of the Save-A-Lot Group to give each Save-A-Lot Group Employee full credit under each other employee benefit plan, policy or arrangement, and any other service-based or seniority-based entitlement maintained or made available for the benefit of Save-A-Lot Group Employees as of and after the Effective Time by any member of the Save-A-Lot Group (but excluding equity or equity based compensation arrangements), for such Save-A-Lot Group Employee's service prior to the Effective Time with Supervalu and its applicable

Affiliates (including the Save-A-Lot Group) and their respective predecessors, to the same extent such service is recognized by Supervalu and its applicable Affiliates (including the Save-A-Lot Group) immediately prior to the Effective Time. Notwithstanding the foregoing, no service credit will be given to the extent that it would result in a duplication of benefits for the same period of service.

(ii) *Evidence of Prior Service*. Notwithstanding anything in this Agreement to the contrary, but subject to applicable Law, upon reasonable request by either Party, the other Party will provide to the requesting Party copies of any records available to the providing Party to document the service, plan participation and membership of former Employees of the providing Party who are then Employees of the requesting Party, and will cooperate with the requesting Party to resolve any discrepancies or obtain any missing data for purposes of determining benefit eligibility, participation, vesting and calculation of benefits with respect to any such Employee.

(b) *Benefit Plans*.

(i) *Establishment of Plans*. Not later than the Effective Time, Save-A-Lot shall, or shall cause an applicable member of the Save-A-Lot Group to, adopt Benefit Plans (and related trusts, if applicable), with terms comparable to and not more favorable to employees than those of the corresponding Supervalu Benefit Plans (or such other standard as is specified in this Agreement with respect to any particular Benefit Plan); provided, however, that (A) Save-A-Lot will not establish any severance plans, equity compensation plans, defined benefit pension plans, retiree welfare plans or voluntary employees' beneficiary associations (or related trusts) and (B) Save-A-Lot will limit participation as of the Effective Time in any such Save-A-Lot Benefit Plan to Save-A-Lot Group Employees and Former Save-A-Lot Group Employees who participated in the corresponding Supervalu Benefit Plan immediately prior to the Effective Time.

(ii) *Information and Operation*. Supervalu shall provide Save-A-Lot with information describing each Supervalu Benefit Plan election made by a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee that may have application to a Save-A-Lot Benefit Plan from and after the Effective Time, and Save-A-Lot shall use its commercially reasonable efforts to administer the Save-A-Lot Benefit Plans using those elections until superseded or expired in accordance with their terms and the terms of the applicable Save-A-Lot Benefit Plan. Each Party shall, upon reasonable request, provide the other Party and the other Party's respective Affiliates, agents, and vendors all information reasonably necessary to the other Party's operation or administration of its Benefit Plans and to the other Party's compliance with its obligations under this Agreement.

(iii) *No Duplication or Acceleration of Benefits*. Notwithstanding anything to the contrary in this Agreement, no participant in any Save-A-Lot Benefit Plan shall receive service credit or benefits to the extent that receipt of such service credit or benefits would result in duplication of benefits provided to such participant by the corresponding Supervalu Benefit Plan or any other plan, program or arrangement sponsored or maintained by a member of the Supervalu Group. Furthermore, unless expressly provided for in this Agreement, or required by applicable Law, no provision in this Agreement shall be construed

to create any right to accelerate vesting or entitlements under any compensation or Benefit Plan, program or arrangement sponsored or maintained by a member of the Supervalu Group or member of the Save-A-Lot Group on the part of any Employee or Former Employee.

(iv) *No Expansion of Participation*. Unless otherwise expressly provided in this Agreement, as otherwise determined or agreed to by Supervalu and Save-A-Lot, as required by applicable Law, or as explicitly set forth in a Save-A-Lot Benefit Plan, a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee shall be entitled to participate in the Save-A-Lot Benefit Plans at the Effective Time only to the extent that such Save-A-Lot Group Employee or Former Save-A-Lot Group Employee was entitled to participate in the corresponding Supervalu Benefit Plan as in effect immediately prior to the Effective Time and such Supervalu Benefit Plan is replicated by Save-A-Lot (to the extent that such Save-A-Lot Group Employee or Former Save-A-Lot Group Employee does not participate in the respective Save-A-Lot Benefit Plan immediately prior to the Effective Time), it being understood that this Agreement is not intended to expand after the Effective Time (A) the number of Save-A-Lot Group Employees or Former Save-A-Lot Group Employees entitled to participate in any Save-A-Lot Benefit Plan or (B) the participation rights of Save-A-Lot Group Employees or Former Save-A-Lot Group Employees in any Save-A-Lot Benefit Plans beyond the rights of such Save-A-Lot Group Employees or Former Save-A-Lot Group Employees under the corresponding Supervalu Benefit Plans.

(c) *Services Agreement.* The Parties acknowledge that the Supervalu Group will provide certain administrative services for certain of Save-A-Lot's compensation and benefit programs under the terms of the Services Agreement. The Parties agree to enter into a customary business associate agreement (if, pursuant to the Services Agreement, Supervalu will create, receive, maintain or transmit "protected health information" as defined under HIPAA) in connection with the Services Agreement.

(d) *Beneficiaries*. References in this Agreement to Supervalu Group Employees, Former Supervalu Group Employees, Save-A-Lot Group Employees, Former Save-A-Lot Group Employees and non-employee directors of either Supervalu or Save-A-Lot, shall be deemed to refer to their beneficiaries, dependents, survivors and alternate payees, as applicable.

(e) *Interpretation*. In the event of any conflict between the provisions of this Article III and any other provision of this Agreement, this Article III shall control.

Section 3.2 Assignment of Employees.

(a) *Assignment and Transfer of Employees*. Effective no later than immediately prior to the Effective Time and except as otherwise agreed by the Parties, (i) the applicable member of the Supervalu Group shall have taken such actions as are necessary or appropriate to ensure that each individual who is primarily dedicated to the Save-A-Lot Business as of immediately prior to the Effective Time (including any such individual who is not actively working as of the Effective Time as a result of an illness, injury, approved leave of absence or leave of absence otherwise taken in accordance with applicable Law), and in each case, who is employed by Supervalu or its Subsidiaries immediately prior to the Effective Time (collectively, the "Save-A-Lot Group Employees"), excluding any Save-A-Lot LTD Employee, is employed by a member of the Save-A-

Lot Group as of immediately prior to the Effective Time, and (ii) the applicable member of the Supervalu Group shall have taken such actions as are necessary or appropriate to ensure that each individual employed by the Supervalu Group as of the Effective Time who is not a Save-A-Lot Group Employee (collectively, the "Supervalu Group Employees") and each Save-A-Lot LTD Employee is employed by a member of the Supervalu Group as of immediately prior to the Effective Time. Each of the Parties agrees to execute, and to seek to have the applicable Employees execute, such documentation, if any, as may be necessary to reflect such assignment and/or transfer.

(b) *At-Will Status*. Nothing in this Agreement shall create any obligation on the part of any member of the Supervalu Group or any member of the Save-A-Lot Group to continue the employment of any Employee or permit the return from a leave of absence for any period after the date of this Agreement (except as required by applicable Law) or change the employment status of any Employee from "at-will," to the extent that such Employee is an "at-will" employee under applicable Law.

(c) *No Severance*. The Parties acknowledge and agree that the Separation and the assignment, transfer, or continuation of the employment of Employees as contemplated by this Section 3.2 shall not be deemed an involuntary termination of employment or to have created any entitlement to severance payments or benefits under any policy, plan, program or agreement for any Save-A-Lot Group Employee or Supervalu Group Employee.

(d) *No Change of Control or Change in Control*. The Parties acknowledge and agree that neither the consummation of the Separation nor any transaction contemplated by this Agreement shall be deemed a "change of control," "change in control" or term of similar import for purposes of any Benefit Plan sponsored or maintained by any member of the Supervalu Group or any member of the Save-A-Lot Group.

(e) *Payroll and Related Taxes*. With respect to any Save-A-Lot Group Employee or group of Save-A-Lot Group Employees that were employed by a member of the Supervalu Group prior to the Effective Time, the Parties shall, or shall cause their respective Subsidiaries to, (i) treat Save-A-Lot (or the applicable member of the Save-A-Lot Group) as a "successor employer" and Supervalu (or the applicable member of the Supervalu Group) as a "predecessor," within the meaning of Sections 3121(a)(1) and 3306(b)(1) of the Code, for purposes of taxes imposed under the United States Federal Insurance Contributions Act, as amended ("FICA"), or the United States Federal Unemployment Tax Act, as amended ("FUTA"), (ii) cooperate with each other to avoid the restart of FICA and FUTA upon or following the Effective Time with respect to each such Save-A-Lot Group Employee for the tax year during which the Effective Time occurs, and (iii) use commercially reasonably efforts to implement the alternate procedure described in Section 5 of Revenue Procedure 2004-53.

Section 3.3 Individual Agreements.

(a) *Save-A-Lot Individual Agreements*.

(i) *Assignment by Supervalu*. Each Save-A-Lot Individual Agreement is hereby assigned to Save-A-Lot or another member of the Save-A-Lot Group, as designated by Save-A-Lot, with such assignment to be effective as of the Effective Time; provided, however, that to the extent that assignment of any such Save-A-Lot Individual Agreement is not permitted by the terms of such agreement or by applicable Law, effective as of the Effective Time, each member of the Save-A-Lot Group shall be considered to be a successor to each member of the Supervalu Group for purposes of, and a third-party beneficiary with respect to, such Save-A-Lot Individual Agreement, such that each member of the Save-A-Lot Group shall enjoy all of the rights and benefits under such agreement (including rights and benefits as a third-party beneficiary), with respect to the business operations of the Save-A-Lot Group; and provided, further, that in no event shall Supervalu be permitted to enforce any Save-A-Lot Individual Agreement (including any agreement containing noncompetition or nonsolicitation covenants) against a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee for action taken in such individual's capacity as a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee.

(ii) *Assumption by Save-A-Lot*. Effective as of the Effective Time, Save-A-Lot will assume and honor, or will cause a member of the Save-A-Lot Group to assume and honor, any Save-A-Lot Individual Agreement assigned pursuant to Section 3.3(a)(i), and to honor as a successor any Save-A-Lot Individual Agreement described in the first proviso to Section 3.3(a)(i); provided, however, that notwithstanding the foregoing, (A) the Save-A-Lot Group will not be responsible for and the Supervalu Group shall remain responsible for satisfying any obligations under any Save-A-Lot Individual Agreement or otherwise to provide any transaction, retention, stay, change in control or other similar one-time bonuses or awards in connection with the Separation or any related transactions (other than, for the avoidance of doubt, pursuant to agreements entered into by Save-A-Lot on or after the Effective Time) and (B) the Save-A-Lot Group shall not assume or be responsible for any Liabilities or other obligations associated with any commitment or promise in a Save-A-Lot Individual Agreement to grant any equity or long-term incentive compensation awards.

(b) *Supervalu Individual Agreements*.

(i) *Assignment by Save-A-Lot*. Each Supervalu Individual Agreement is hereby assigned to Supervalu or another member of the Supervalu Group, as designated by Supervalu, with such assignment to be effective as of the Effective Time; provided, however, that to the extent that assignment of any such Supervalu Individual Agreement is not permitted by the terms of such agreement or by applicable Law, effective as of the Effective Time, each member of the Supervalu Group shall be considered to be a successor to each member of the Save-A-Lot Group for purposes of, and a third-party beneficiary with respect to, such Supervalu Individual Agreement, such that each member of the Supervalu Group shall enjoy all of the rights and benefits under such agreement (including rights and benefits as a third-party beneficiary), with respect to the business operations of the Supervalu Group; and provided, further, that in no event shall Save-A-Lot be permitted to enforce any

Supervalu Individual Agreement (including any agreement containing noncompetition or nonsolicitation covenants) against a Supervalu Group Employee or Former Supervalu Group Employee for action taken in such individual's capacity as a Supervalu Group Employee or Former Supervalu Group Employee.

(ii) *Assumption by Supervalu*. Effective as of the Effective Time, Supervalu will assume and honor, or will cause a member of the Supervalu Group to assume and honor, any Supervalu Individual Agreement assigned pursuant to Section 3.3(b)(i), and to honor as a successor any Supervalu Individual Agreement described in the proviso to Section 3.3(b)(i).

Section 3.4 Short-Term Incentive Plans.

(a) *Establishment of Save-A-Lot Short-Term Incentive Plans*. At or before the Effective Time, Save-A-Lot shall, or shall cause another member of the Save-A-Lot Group to, establish the Save-A-Lot Short-Term Incentive Plans.

(b) *Fiscal Year 2017 Annual and Short-Term Bonus*. Effective as of the Effective Time, the Liability in respect of bonus awards allocable to Save-A-Lot Group Employees or Former Save-A-Lot Group Employees under the Supervalu Short-Term Incentive Plans in respect of the 2017 fiscal year shall be assumed by the Save-A-Lot Group based on the accrual for such Employees as shown on the books and records of Supervalu as of immediately prior to the Effective Time (which accrual for all purposes under this Agreement and the Merger Agreement (including the calculation of Working Capital as of the Closing) shall be calculated reasonably and in good faith in accordance with past practices and the applicable terms of the applicable incentive plans). From and after the Effective Time until the end of the 2017 fiscal year, Save-A-Lot shall maintain the Save-A-Lot Short-Term Incentive Plans in accordance with their terms.

(c) *Fiscal Year 2018 Annual and Short Term Bonus*. Notwithstanding the foregoing, Save-A-Lot will not, prior to the Effective Time, establish Save-A-Lot Short-Term Incentive Plans covering the 2018 fiscal year performance period, which Save-A-Lot Short-Term Incentive Plans will only be established after the Effective Time.

(d) *Allocation of Liabilities*. Except as otherwise provided in this Agreement, (i) the Supervalu Group shall be solely responsible for funding, paying, and discharging all obligations relating to any incentive bonus awards under any Supervalu Short-Term Incentive Plan with respect to payments earned before, as of, or after the Effective Time to Supervalu Group Employees or Former Supervalu Group Employees, and no member of the Save-A-Lot Group shall have any obligations with respect thereto; and (ii) the Save-A-Lot Group shall be solely responsible for funding, paying, and discharging all obligations relating to any incentive bonus awards under any Save-A-Lot Short-Term Incentive Plan with respect to payments earned before, as of, or after the Effective Time to Save-A-Lot Group Employees or Former Save-A-Lot Group Employees, and no member of the Supervalu Group shall have any obligations with respect thereto.

Section 3.5 Retirement Plans.

(a) *Supervalu Pension Plan*. On and following the Effective Time, the Supervalu Group shall retain sponsorship of the Supervalu Pension Plan and any related trust, and the Supervalu Pension Plan shall remain responsible for benefits payable thereunder to Save-A-Lot Group Employees. From and after the Effective Time, all Liabilities under or associated with the Supervalu Pension Plan shall be Liabilities of the Supervalu Group. Effective as of the Effective Time, Save-A-Lot Group Employees shall be treated as terminated vested employees under the Supervalu Pension Plan.

(b) *Save-A-Lot Savings Plan*.

(i) *Establishment of Plan*. Effective on or prior to the Effective Time, Save-A-Lot shall establish, or cause to be established, the Save-A-Lot Savings Plan and a related trust (the "Save-A-Lot Savings Plan Trust"), which shall be intended to meet the tax qualification requirements of Section 401(a) of the Code, the tax exemption requirements of Section 501(a) of the Code and the requirements described in Sections 401(k) and 401(m) of the Code, and which shall be substantially similar in most material respects to the Supervalu Savings Plan. Before the Effective Time, Save-A-Lot shall provide Supervalu with (i) a copy of the Save-A-Lot Savings Plan and Save-A-Lot Savings Plan Trust and (ii) a copy of certified resolutions of the Save-A-Lot Board (or its authorized committee or other delegate) evidencing adoption of the Save-A-Lot Savings Plan and Save-A-Lot Savings Plan Trust and the assumption by the Save-A-Lot Savings Plan of the Liabilities described in Section 3.5(b)(ii).

(ii) *Transfer of Account Balances*. Effective on or prior to the Effective Time, Supervalu shall cause the trustee of the Supervalu Savings Plan to transfer from the trust that forms a part of the Supervalu Savings Plan (the "Supervalu Savings Plan Trust") to the Save-A-Lot Savings Plan Trust, the account balances of Save-A-Lot Group Employees under the Supervalu Savings Plan, determined as of the date of the transfer. Unless otherwise agreed by the parties, such transfers shall be made in kind (to the extent practicable) or in cash (if not practicable), and in kind in the case of promissory notes evidencing the transfer of outstanding participant loans. Any Asset and Liability transfers pursuant to this Section 3.5(b)(ii) shall comply in all respects with Sections 414(l) and 411(d)(6) of the Code and if required, shall be made not less than 30 days after Supervalu shall have filed the notice under Section 6058(b) of the Code. The Parties agree that to the extent that any Assets are not transferred in kind, the Assets transferred will be mapped into an appropriate investment vehicle, including the Save-A-Lot Savings Plan qualified default investment alternative.

(iii) *Save-A-Lot Savings Plan Provisions*. The Save-A-Lot Savings Plan shall provide that:

(A) Save-A-Lot Group Employees shall (1) be eligible to participate in the Save-A-Lot Savings Plan on or prior to the Effective Time to the extent that they were eligible to participate in the Supervalu Savings Plan as of immediately prior to the time the Save-A-Lot Savings Plan becomes effective, and (2) receive credit for all service credited for that purpose under the Supervalu Savings Plan as of immediately prior to the time the Save-A-Lot Savings Plan becomes effective as if that service had been rendered to Save-A-Lot;

(B) the account balance of each Save-A-Lot Group Employee under the Supervalu Savings Plan as of the date of the transfer of Assets from the Supervalu Savings Plan (including any outstanding promissory notes) shall be credited to such individual's account balance under the Save-A-Lot Savings Plan; and

(C) the Save-A-Lot Savings Plan shall assume and honor the terms of all QDROs in effect under the Supervalu Savings Plan in respect of Save-A-Lot Group Employees as of immediately prior to Effective Time.

(iv) *Determination Letter Request.* Save-A-Lot shall submit an application to the IRS as soon as practicable after the time the Save-A-Lot Savings Plan becomes effective (but no later than the last day of the applicable remedial amendment period as defined in applicable Code provisions) requesting a determination letter regarding the qualified status of the Save-A-Lot Savings Plan under Sections 401(a) and 401(k) of the Code and the Save-A-Lot Savings Plan Trust under Section 501(a) of the Code and shall make any amendments reasonably requested by the IRS to receive such a favorable determination letter.

(v) *Supervalu Savings Plan After the Save-A-Lot Savings Plan Becomes Effective*. From and after the time the Save-A-Lot Savings Plan becomes effective, (i) the Supervalu Savings Plan shall continue to be responsible for Liabilities accrued thereunder in respect of Supervalu Group Employees and Former Employees, and (ii) no Save-A-Lot Group Employees shall accrue any benefits under the Supervalu Savings Plan other than in respect of investment earnings, gains and losses on account balances prior to the transfer described in Section 3.5(b)(ii). Without limiting the generality of the foregoing, Save-A-Lot Group Employees shall cease to be active participants in the Supervalu Savings Plan effective as of the time the Save-A-Lot Savings Plan becomes effective, and cease to be participants of any sort following the transfer described in Section 3.5(b)(ii).

(vi) *Plan Fiduciaries*. For all periods after the time the Save-A-Lot Savings Plan becomes effective, the Parties agree that the applicable fiduciaries of each of the Supervalu Savings Plan and the Save-A-Lot Savings Plan, respectively, shall have the authority with respect to the Supervalu Savings Plan and the Save-A-Lot Savings Plan, respectively, to determine the investment alternatives, the terms and conditions with respect to those investment alternatives, and such other matters as are within the scope of their duties under ERISA and the terms of the applicable plan documents.

(vii) *No Loss of Unvested Benefits; No Distributions*. The transfer of any Save-A-Lot Group Employee's employment to the Save-A-Lot Group shall not result in loss of that Save-A-Lot Group Employee's unvested benefits (if any) under the Supervalu Savings Plan, which benefit Liability will be assumed under the Save-A-Lot Savings Plan as provided herein. No Save-A-Lot Group Employee shall be entitled to a distribution of his or her benefit under the Supervalu Savings Plan or Save-A-Lot Savings Plan as a result of such transfer of employment or the Merger.

(c) *Supervalu SERP*. As of the Effective Time, the Supervalu Group shall retain sponsorship of the Supervalu SERP, and from and after the Effective Time, all Liabilities under or associated with the Supervalu SERP shall be Liabilities of the Supervalu Group.

(d) *Save-A-Lot Executive Deferred Compensation Plans*.

(i) *Establishment of the Save-A-Lot Executive Deferred Compensation Plans*. No later than the Effective Time, Save-A-Lot shall establish each of the Save-A-Lot Executive Deferred Compensation Plans.

(ii) *Assumption of Liabilities from Supervalu*. As of the Effective Time, Save-A-Lot shall, and shall cause each of the Save-A-Lot Executive Deferred Compensation Plans to, assume all Liabilities under the corresponding Supervalu Executive Deferred Compensation Plan with respect to Save-A-Lot Group Employees and Former Save-A-Lot Group Employees, determined as of immediately prior to the Effective Time, and, except as provided below, the Supervalu Group and the Supervalu Executive Deferred Compensation Plans shall be relieved of all Liabilities for such Employees. Supervalu shall retain all Liabilities under the Supervalu Executive Deferred Compensation Plans that are not assumed by the Save-A-Lot Executive Deferred Compensation Plans. Notwithstanding the first sentence of this Section 3.5(d)(ii), the Save-A-Lot Executive Deferred Compensation Plans shall not assume any Liabilities for any "DB Restoration Account" under the Supervalu Executive Deferred Compensation Plans.

(e) *Nonqualified Plan Participation; Distributions*. The Parties acknowledge that none of the transactions contemplated by this Agreement and the Merger Agreement will trigger a payment or distribution of compensation under any of the Supervalu Nonqualified Plans or Save-A-Lot Nonqualified Plans, or be considered a "separation from service" for purposes of Section 409A of the Code, for any participant who is a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee and, consequently, that the payment or distribution of any compensation to which such participant is entitled under any of the Supervalu Nonqualified Plans or Save-A-Lot Nonqualified Plans will occur upon such participant's separation from service from the Save-A-Lot Group or at such other time as provided in the applicable Save-A-Lot Nonqualified Plan or participant's deferral election.

Section 3.6 Welfare Plans.

(a) *Establishment of Save-A-Lot Welfare Plans*. No later than the Effective Time, Save-A-Lot shall, or shall cause the applicable member of the Save-A-Lot Group to, establish the Save-A-Lot Welfare Plans.

(b) *Waiver of Conditions; Benefit Maximums*. Save-A-Lot shall use commercially reasonable efforts to cause the Save-A-Lot Welfare Plans to:

(i) with respect to initial enrollment as of the time the Save-A-Lot Welfare Plans become effective, waive (A) all limitations as to preexisting conditions, exclusions and service conditions with respect to participation and coverage requirements applicable to any Save-A-Lot Group Employee or Former Save-A-Lot Group Employee, other than limitations that were in effect with respect to the Save-A-Lot Group Employee or Former Save-A-Lot Group Employee under the applicable Supervalu Welfare Plan as of immediately prior to the time the applicable Save-A-Lot Welfare Plan becomes effective; and (B) any waiting period limitation or evidence of insurability requirement applicable to a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee other than limitations or requirements that were in effect with respect to such Save-A-Lot Group Employee or Former Save-A-Lot Group Employee under the applicable Supervalu Welfare Plan as of immediately prior to the time such Save-A-Lot Welfare Plan becomes effective; and

(ii) take into account (A) with respect to aggregate annual, lifetime or similar maximum benefits available under the Save-A-Lot Welfare Plans, a Save-A-Lot Group Employee's or Former Save-A-Lot Group Employee's prior claim experience under the Supervalu Welfare Plans and any Benefit Plan that provides leave benefits; and (B) any eligible expenses incurred by a Save-A-Lot Group Employee or Former Save-A-Lot Group Employee and his or her covered dependents during the portion of the plan year of the applicable Supervalu Welfare Plan ending as of the time the applicable Save-A-Lot Welfare Plan becomes effective to be taken into account under such Save-A-Lot Welfare Plan for purposes of satisfying all deductible, coinsurance and maximum out-of- pocket requirements applicable to such Save-A-Lot Group Employee or Former Save-A-Lot Group Employee and his or her covered dependents for the applicable plan year to the same extent as such expenses were taken into account by Supervalu for similar purposes prior to the time the applicable Save-A-Lot Welfare Plan becomes effective as if such amounts had been paid in accordance with such Save-A-Lot Welfare Plan.

(c) *Health Savings Accounts*. No later than the Effective Time, Save-A-Lot shall, or shall cause a member of the Save-A-Lot Group to, establish a Save-A-Lot Welfare Plan that will provide health savings account benefits to Save-A-Lot Group Employees on and after the time the Save-A-Lot Welfare Plans become effective (a "Save-A-Lot HSA"). It is the intention of the Parties that all activity under a Save-A-Lot Group Employee's health savings account under a Supervalu Welfare Plan (a "Supervalu HSA") for the year in which the Save-A-Lot Welfare Plans become effective be treated instead as activity under the corresponding account under the Save-A-Lot HSA, such that (i) any period of participation by a Save-A-Lot Group Employee in a Supervalu HSA during the year in which the Save-A-Lot Welfare Plans become effective will be deemed a period when such Save-A-Lot Group Employee participated in the corresponding Save-A-Lot HSA; (ii) all

expenses incurred during such period will be deemed incurred while such Save-A-Lot Group Employee's coverage was in effect under the corresponding Save-A-Lot HSA; and (iii) all elections and reimbursements made with respect to such period under the Supervalu HSA will be deemed to have been made with respect to the corresponding Save-A-Lot HSA. All assets constituting the health savings accounts for Save-A-Lot Group Employees who participated in the Supervalu HSA and who will participate in the Save-A-Lot HSA will be transferred to the Save-A-Lot HSA such that, as of the date of establishment of the Save-A-Lot HSA, there will no unfunded liability associated therewith.

(d) *Flexible Spending Accounts*. The Parties shall use commercially reasonable efforts to ensure that, as of the time the Save-A-Lot Welfare Plans become effective, any health or dependent care flexible spending accounts of Save-A-Lot Group Employees (whether positive or negative) (the "Transferred FSA Account Balances") under Supervalu Welfare Plans that are health or dependent care flexible spending account plans are transferred, as soon as practicable after the time the Save-A-Lot Welfare Plans become effective, from the Supervalu Welfare Plans to the corresponding Save-A-Lot Welfare Plans. Such Save-A-Lot Welfare Plans shall assume responsibility as of the time the Save-A-Lot Welfare Plans become effective for all outstanding health or dependent care spending account claims and obligations under the corresponding Supervalu Welfare Plans of each Save-A-Lot Group Employee for the year in which the Save-A-Lot Welfare Plans become effective and shall assume and agree to perform the new spending account claims and obligations of the corresponding Supervalu Welfare Plans from and after such time. As soon as practicable after the time the Save-A-Lot Welfare Plans become effective, and in any event within 30 days after the amount of the Transferred FSA Account Balances is determined or such later date as mutually agreed upon by the Parties, Supervalu shall pay Save-A-Lot the net aggregate amount of the Transferred FSA Account Balances, if such amount is positive, and Save-A-Lot shall pay Supervalu the net aggregate amount of the Transferred FSA Account Balances, if such amount is negative.

(e) *Retiree Welfare Plan*. Supervalu shall retain sponsorship of the Supervalu Retiree Welfare Plan, and, from and after the Effective Time, all Liabilities thereunder or associated therewith shall be Liabilities of the Supervalu Group. Effective as of the Effective Time, Save-A-Lot Group Employees shall be treated as terminated employees under the Supervalu Retiree Welfare Plan.

(f) *Allocation of Welfare Assets and Liabilities*. Except with respect to Save-A-Lot LTD Employees and as otherwise set forth in Section 3.6(e), (i) effective as of the time the Save-A-Lot Welfare Plans become effective, the Save-A-Lot Group shall assume all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of Save-A-Lot Group Employees or Former Save-A-Lot Group Employees or their covered dependents under the Supervalu Welfare Plans or Save-A-Lot Welfare Plans before, at or after the time the Save-A-Lot Welfare Plans become effective; and (ii) no Supervalu Welfare Plan shall provide coverage to any Save-A-Lot Group Employee or Former Save-A-Lot Group Employee after the time the Save-A-Lot Welfare Plans become effective.

(g) *COBRA and HIPAA*. The Supervalu Group shall continue to be responsible for complying with, and providing coverage pursuant to, the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding

provisions of the Supervalu Welfare Plans with respect to any Supervalu Group Employees and any Former Supervalu Group Employees (and their covered dependents) who incur a qualifying event under COBRA before, as of or after the time the Save-A-Lot Welfare Plans become effective. Effective as of the time the Save-A-Lot Welfare Plans become effective, the Save-A-Lot Group shall assume responsibility for complying with, and providing coverage pursuant to, the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Save-A-Lot Welfare Plans with respect to any Save-A-Lot Group Employees or Former Save-A-Lot Group Employees (and their covered dependents) who incur a qualifying event or loss of coverage under the Supervalu Welfare Plans and/or the Save-A-Lot Welfare Plans before, as of or after the time the Save-A-Lot Welfare Plans become effective. The Parties agree that the consummation of the transactions contemplated by this Agreement and the Merger Agreement shall not constitute a COBRA qualifying event for any purpose of COBRA.

(h) *Vacation, Holidays and Leaves of Absence*. Effective as of the time the Save-A-Lot Welfare Plans become effective, the Save-A-Lot Group shall assume all Liabilities of the Supervalu Group with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each Save-A-Lot Group Employee and Former Save-A-Lot Group Employee. The Supervalu Group shall retain all Liabilities with respect to vacation, holiday, annual leave or other leave of absence, and required payments related thereto, for each Supervalu Group Employee and Former Supervalu Group Employee.

(i) *Severance and Unemployment Compensation*. Effective as of the time the Save-A-Lot Welfare Plans become effective, the Save-A-Lot Group shall assume any and all Liabilities to, or relating to, Save-A-Lot Group Employees and Former Save-A-Lot Group Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred before, at or after such time. The Supervalu Group shall be responsible for any and all Liabilities to, or relating to, Supervalu Group Employees and Former Supervalu Group Employees in respect of severance and unemployment compensation, regardless of whether the event giving rise to the Liability occurred before, at or after such time.

(j) *Workers' Compensation*. With respect to claims for workers' compensation, (i) the Save-A-Lot Group shall be responsible for claims in respect of Save-A-Lot Group Employees and Former Save-A-Lot Group Employees, whether occurring before, at or after the time the Save-A-Lot Welfare Plans become effective, and (ii) the Supervalu Group shall be responsible for all claims in respect of Supervalu Group Employees and Former Supervalu Group Employees, whether occurring before, at or after the time the Save-A-Lot Welfare Plans become effective. The treatment of workers' compensation claims by Save-A-Lot with respect to Supervalu insurance policies shall be governed by Section 5.1.

(k) *Insurance Contracts*. To the extent that any Supervalu Welfare Plan is funded through the purchase of an insurance contract or is subject to any stop-loss contract, the Parties shall cooperate and use their commercially reasonable efforts to replicate such insurance contracts for Save-A-Lot (except to the extent that changes are required under applicable state insurance Laws or filings by the respective insurers) and to maintain any pricing discounts or other preferential terms for both Supervalu and Save-A-Lot for a reasonable term. Neither Party shall be liable for failure to obtain such insurance contracts, pricing discounts or other preferential terms for the other Party.

Each Party shall be responsible for any additional premiums, charges, or administrative fees that such Party may incur pursuant to this Section 3.6(k).

(l) *Third-Party Vendors*. To the extent that any Supervalu Welfare Plan is administered by a third-party vendor, the Parties shall cooperate and use their commercially reasonable efforts to replicate any contract with such third-party vendor for Save-A-Lot and to maintain any pricing discounts or other preferential terms for both Supervalu and Save-A-Lot for a reasonable term. Neither Party shall be liable for failure to obtain such pricing discounts or other preferential terms for the other Party. Each Party shall be responsible for any additional premiums, charges or administrative fees that such Party may incur pursuant to this Section 3.6(l).

Section 3.7 Preservation of Rights to Amend. The rights of each member of the Supervalu Group and each member of the Save-A-Lot Group to amend, waive or terminate any plan, arrangement, agreement, program or policy referred to in this Article III, or any trust, insurance policy or funding vehicle related to such plan, arrangement, agreement, program or policy shall not be limited in any way by this Agreement.

Section 3.8 Third-Party Rights. The provisions of this Article III are for the sole benefit of the parties hereto and nothing herein, express or implied, is intended or shall be construed to confer upon or give to any Person (including any Save-A-Lot Group Employee, Former Save-A-Lot Group Employee, Supervalu Group Employees, Former Supervalu Group Employee and Save-A-Lot LTD Employee), other than the Parties to this Agreement and their respective successors and permitted assigns, any legal or equitable or other rights or remedies under or by reason of any provision of this Article III. Nothing contained herein, express or implied: (a) shall be construed to establish, amend or modify any benefit plan, program, agreement or arrangement; (b) shall alter or limit the Save-A-Lot Group's or the Supervalu Group's ability to amend, modify or terminate any benefit plan, program, agreement or arrangement; or (c) is intended to confer upon any Person any right to employment or continued employment for any period of time by reason of this Agreement, or any right to a particular term or condition of employment.

## ARTICLE IV

## MUTUAL RELEASES; INDEMNIFICATION

Section 4.1 Release of Pre-Merger Claims.

(a) *Save-A-Lot Release of Supervalu.* Except as provided in Section 4.1(c) and Section 4.1(d), the Ancillary Agreements and the Merger Agreement, effective as of the Effective Time, Save-A-Lot does hereby, for itself and each other member of the Save-A-Lot Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Save-A-Lot Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Supervalu and the members of the Supervalu Group, and their respective successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Supervalu Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective

Time are or have been stockholders, directors, officers, agents or employees of a member of the Save-A-Lot Group and who are not, as of immediately following the Effective Time, directors, officers or employees of Save-A-Lot or a member of the Save-A-Lot Group, in each case from: (A) all Save-A-Lot Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Merger and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Save-A-Lot Business, the Save-A-Lot Assets or the Save-A-Lot Liabilities.

(b) *Supervalu Release of Save-A-Lot.* Except as provided in Section 4.1(c) and Section 4.1(d), the Ancillary Agreements and the Merger Agreement, effective as of the Effective Time, Supervalu does hereby, for itself and each other member of the Supervalu Group and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Supervalu Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Save-A-Lot and the members of the Save-A-Lot Group and their respective successors and assigns, and (ii) all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the Save-A-Lot Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Effective Time are or have been stockholders, directors, officers, agents or employees of Supervalu or any subsidiary of Supervalu that is not a member of the Save-A-Lot Group and who are not, as of immediately following the Effective Time, directors, officers or employees of Supervalu or a member of the Supervalu Group, in each case from (A) all Supervalu Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Merger and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the Supervalu Business, the Supervalu Assets or the Supervalu Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Section 4.1(a) or Section 4.1(b) shall impair any right of any Person to enforce this Agreement, the Merger Agreement, any Ancillary Agreement or any agreement, arrangement, commitment or understanding that is specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or Section 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Supervalu Group or the Save-A-Lot Group that is specified in Section 2.7(b) or the applicable Schedules thereto as not to terminate as of the Effective Time, or any other Liability specified in Section 2.7(b) as not to terminate as of the Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group, including with respect to indemnification or contribution, under, this Agreement, the Merger Agreement or any Ancillary Agreement;

(iii) any Liability provided in or resulting from any Contract or understanding that is entered into after the Effective Time between any Party (and/or a member of such Party's Group), on the one hand, and any other Party (and/or a member of such other Party's Group), on the other hand;

(iv) any Liability provided in or resulting from any agreement between any Person who after the Effective Time is an employee of the Save-A-Lot Group, on the one hand, and any member of the Supervalu Group, on the other hand, including any Liability resulting from any obligation of any such Person in respect of confidentiality, non-competition, non-disparagement or assignment of rights;

(v) any Liability provided in or resulting from any agreement between any Person who after the Effective Time is an employee of the Supervalu Group, on the one hand, and any member of the Save-A-Lot Group, on the other hand, including any Liability resulting from any obligation of any such Person in respect of confidentiality, non-competition, non-disparagement or assignment of rights; or

(vi) any Liability the release of which would result in the release of any Person other than a Person expressly contemplated to be released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Supervalu Group from honoring its existing obligations, if any, to indemnify any director, officer or employee of Save-A-Lot who was a director, officer or employee of any member of the Supervalu Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a Save-A-Lot Liability, Save-A-Lot shall indemnify Supervalu for such Liability (including Supervalu's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Claims.* Save-A-Lot shall not make, and shall not permit any member of the Save-A-Lot Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Supervalu or any other member of the Supervalu Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). Supervalu shall not make, and shall not permit any other member of the Supervalu Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Save-A-Lot or any other member of the Save-A-Lot Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(e) *Execution of Further Releases.* At any time at or after the Effective Time, at the request of either Party, the other Party shall cause each other member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

(f) *Environmental Liabilities.* Supervalu and Save-A-Lot, and each of the members of their respective Groups, acknowledge and agree that this Section 4.1 shall apply, without limitation, in respect of any state Environmental Law and any Liability arising out of any Environmental Law.

Section 4.2 Indemnification by Save-A-Lot. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement or in the Merger Agreement, to the fullest extent permitted by Law, Save-A-Lot shall, and shall cause the other members of the Save-A-Lot Group to, indemnify, defend and hold harmless Supervalu, each member of the Supervalu Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Supervalu Indemnitees"), from and against any and all Liabilities of the Supervalu Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Save-A-Lot Liability;

(b) any failure of Save-A-Lot, any other member of the Save-A-Lot Group or any other Person to pay, perform or otherwise promptly discharge any Save-A-Lot Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by Save-A-Lot or any other member of the Save-A-Lot Group of this Agreement or any of the Ancillary Agreements; and

(d) any Liability for which Save-A-Lot is responsible pursuant to Section 2.5(a)(iii), 2.6(c), 4.4, or any other provision of this Agreement that expressly provides for indemnification of any Supervalu Indemnitee by Save-A-Lot.

The above provisions of this Section 4.2 do not apply to Liabilities arising out of or resulting from, directly or indirectly, the Services Agreement. In the case of any conflict between this Section 4.2 and the Services Agreement as to matters arising under or relating to the Services Agreement, the Services Agreement shall prevail.

Section 4.3 Indemnification by Supervalu. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, Supervalu shall, and shall cause the other members of the Supervalu Group to, indemnify, defend and hold harmless Save-A-Lot, each member of the Save-A-Lot Group and each of their respective past, present and future directors, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Save-A-Lot Indemnitees"), from and against any and all Liabilities of the Save-A-Lot Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Supervalu Liability;

(b) any failure of Supervalu, any other member of the Supervalu Group or any other Person to pay, perform or otherwise promptly discharge any Supervalu Liabilities in accordance with their terms, whether prior to, on or after the Effective Time;

(c) any breach by Supervalu or any other member of the Supervalu Group of this Agreement or any of the Ancillary Agreements; and

(d) any Liability for which Supervalu is responsible pursuant to Section 2.5(b)(iii), 2.6(c), 4.3, or other provision of this Agreement that expressly provides for indemnification of any Save-A-Lot Indemnitee by Supervalu.

The above provisions of this Section 4.3 do not apply to Liabilities arising out of or resulting from, directly or indirectly, the Services Agreement. In the case of any conflict between this Section 4.3 and the Services Agreement as to matters arising under or relating to the Services Agreement, the Services Agreement shall prevail.

Section 4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof from any Person by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of the related Liability, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that it is their intent that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the other members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys' fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover

Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

Section 4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* The parties shall reasonably cooperate with each other to divide any Actions that arise after the Effective Time to ensure that Save-A-Lot is responsible for handling the Save-A-Lot Specified Actions and any matters that primarily relate to the Save-A-Lot Business and Supervalu is responsible for handling any other Actions, and the Party responsible for such Action shall use commercially reasonable efforts to have the other Party removed from such Action to the extent such other Party should not have been named to such Action. In furtherance and not in limitation of the foregoing, if, at or following the date of this Agreement, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Supervalu Group or the Save-A-Lot Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or Section 4.3, or any other Section of this Agreement or any Ancillary Agreement (other than the Services Agreement), such Indemnitee shall give such Indemnifying Party written notice thereof as soon as practicable, but in any event within twenty (20) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. If, at or following the date of this Agreement, either Party shall receive notice or otherwise learn of the assertion of a Third Party Claim that involves or would reasonably be expected to involve both a material Save-A-Lot Liability and a material Supervalu Liability (a "Shared Third-Party Claim"), then such Party shall give the other Party written notice thereof as soon as practicable, but in any event within twenty (20) days (or sooner if the nature of the Shared Third-Party Claim so requires) after becoming aware of such Shared Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise subject to Section 4.5(e)), at its own expense and with its own counsel, any Third-Party Claim that is not a Shared Third-Party Claim. Within forty (40) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending such Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any such Third-Party Claim or fails to notify an Indemnitee of its election within forty (40) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs*. If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within forty (40) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim. In the event of a Shared Third-Party Claim, each Party shall be liable for the portion of the fees and expenses incurred by either Party in connection with the defense of such Shared Third-Party Claim equal to the relative portion such Party's Liability in respect of such Shared-Third Party Claim, and shall be entitled to seek any indemnification or reimbursement from the other Party for any such fees or expenses incurred by such Party during the course of the defense of such Shared Third-Party Claim in excess of such fees and expenses that are the responsibility of such Party pursuant to this Agreement.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, an Indemnifying Party that has failed to elect to defend any Third-Party Claim as contemplated hereby and either Party in the case of a Shared- Third Party Claim, shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.7, each such Party shall reasonably cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim (and, in the case of a Shared Third-Party Claim, each Party shall reasonably cooperate with the other Party) in such defense and make available to the other Party, at the expense of the Indemnifying Party, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the other Party. In addition to the foregoing, in the case of a Third-Party Claim that is not a Shared Third-Party Claim, if any Indemnitee shall in good faith determine that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of such counsel for all Indemnitees.

(e) *Settlement of Non-Shared Third-Party Claims.* In the case of a Third Party Claim that is not a Shared Third-Party Claim, (i) the Indemnifying Party may not settle or compromise any Third-Party Claim for which any Indemnitee is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages, does

not involve any finding or determination of wrongdoing or violation of Law by the other Party or another member of its Group or the Indemnitee and provides for a full, unconditional and irrevocable release of the other Party and the other members of the Group and the Indemnitee(s) from all Liability in connection with the Third-Party Claim; (ii) no Indemnitee may settle or compromise any Third-Party Claim for which it is or will seek to be indemnified hereunder without the prior written consent of the Indemnifying Party and (iii) the Parties hereby agree that if the Indemnifying Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which an Indemnitee is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(f) *Settlement of Shared Third-Party Claims*. In the case of a Shared Third- Party Claim, the Parties shall reasonably cooperate and consult with each other with respect to the settlement or compromise thereof, and (i) neither Party may settle or compromise any Shared Third-Party Claim for which any Indemnitee is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages, does not involve any finding or determination of wrongdoing or violation of Law by the other Party or another member of its Group or the Indemnitee and provides for a full, unconditional and irrevocable release of the other Party and the other members of the Group and the Indemnitee(s) from all Liability in connection with the Shared Third-Party Claim and (ii) neither Party may settle or compromise any Shared Third-Party Claim for which it is or will seek to be indemnified hereunder without the prior written consent of the other Party.

Section 4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within thirty (30) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee, and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement (other than the Services Agreement) that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party; provided, that the failure by an Indemnitee to so assert any such claim shall not prejudice the ability of the Indemnitee to do so at a later time except to the extent (if any) that the Indemnifying Party is prejudiced thereby. Such Indemnifying Party shall have a period

of forty (40) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such forty (40)-day period, such specified claim shall be conclusively deemed a Liability of the Indemnifying Party under this Section 4.6(b) or, in the case of any written notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such forty (40)-day period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties.* If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement (other than the Services Agreement); (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then the other Party shall use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

(d) *Subrogation.* In the event of payment by or on behalf of any Indemnifying Party or any insurer or other Third Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

Section 4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in Section 4.2 or Section 4.3 is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the business conducted with the Delayed Save-A-Lot Assets or Delayed Save-A-Lot Liabilities (except for the gross negligence or intentional misconduct of a member of the Supervalu Group) or with the ownership, operation or activities of the Save-A-Lot Business prior to the Effective Time shall be deemed to be the fault of Save-A-Lot and the other members of the Save-A-Lot Group, and no such fault shall be deemed to be the fault of Supervalu or any other member of the Supervalu Group and (ii) any fault associated with the business conducted with Delayed Supervalu Assets or Delayed Supervalu Liabilities (except for the

gross negligence or intentional misconduct of a member of the Save-A-Lot Group) or with the ownership, operation or activities of the Supervalu Business prior to the Effective Time shall be deemed to be the fault of Supervalu and the other members of the Supervalu Group, and no such fault shall be deemed to be the fault of Save-A-Lot or any other member of the Save-A-Lot Group.

Section 4.8 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any Save-A-Lot Liabilities by Save-A-Lot or a member of the Save-A-Lot Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the retention of any Supervalu Liabilities by Supervalu or a member of the Supervalu Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason, or (c) the provisions of this Article IV are void or unenforceable for any reason.

Section 4.9 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 4.10 Survival of Indemnities. The rights and obligations of each of Supervalu and Save-A-Lot and their respective Indemnitees under this Article IV shall survive (a) the sale or other transfer by either Party or any member of its Group of any Assets or businesses or the assignment by it of any Liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group.

Section 4.11 Taxes. The above provisions of this Article IV do not apply to Taxes. In the case of any conflict between this Agreement and the Merger Agreement in relation to any Tax matters addressed by the Merger Agreement, the Merger Agreement shall prevail.

ARTICLE V

CERTAIN OTHER MATTERS

Section 5.1 Insurance Matters.

(a) Supervalu and Save-A-Lot have and agree to continue to cooperate in good faith to provide for the transition of insurance coverage from the date hereof through the Effective Time, including to enter into one or more appropriate novation agreements with respect to claims existing on the date hereof consistent with the provisions of Section 2.5. In no event shall Supervalu, any other member of the Supervalu Group or any Supervalu Indemnitee have Liability or obligation whatsoever to any member of the Save-A-Lot Group in the event that any insurance policy or other Contract or policy of insurance shall be terminated in accordance with its terms or at the expiration date thereof or otherwise cease to be in effect for any reason other than a breach by any member of the Supervalu Group, shall be unavailable or inadequate to cover any Liability of any member of the Save-A-Lot Group for any reason whatsoever or shall not be renewed or extended beyond the current expiration date.

(b) From and after the Effective Time, with respect to any losses, damages and Liability incurred by any member of the Save-A-Lot Group arising out of acts or omissions prior to the Effective Time, Supervalu will provide Save-A-Lot with access to, and Save-A-Lot may make claims under, in each case at the sole expense of Save-A-Lot, Supervalu's third-party insurance policies in place immediately prior to the Effective Time and Supervalu's historical policies of insurance, but solely to the extent that such policies provided coverage for members of the Save-A-Lot Group prior to the Effective Time; provided that such access to, and the right to make claims under, such insurance policies, shall be subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles and other fees and expenses, and shall be subject to the following additional conditions:

(i) From time to time upon the prior request of Supervalu, and in any event prior to submitting any claim that would reasonably be expected to result in the incurrence by Supervalu (without giving effect to any indemnification by Save-A-Lot pursuant to Section 5.1(b)(ii)) of any Insurance Costs, Save-A-Lot shall provide a report regarding any such claims to Supervalu, as promptly as practicable;

(ii) Save-A-Lot and the members of the Save-A-Lot Group shall be responsible for making payments directly to insurers, insurance brokers and third party claims administrators and shall take all appropriate action to insure that no Insurance Costs in respect of claims of Save-A-Lot are incurred by Supervalu. Supervalu shall have no obligation to incur any unreimbursed Insurance Costs in respect of any such claims. Save-A-Lot shall indemnify, hold harmless and reimburse Supervalu and the members of the Supervalu Group, for any deductibles, self-insured retention, fees and expenses incurred by Supervalu or any members of the Supervalu Group to the extent resulting from any access to, any claims made by Save-A-Lot or any other members of the Save-A-Lot Group under, any insurance provided pursuant to this Section 5.1(b), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees,

whether such claims are made by Save-A-Lot, its employees or Third Parties (collectively, "Insurance Costs"); and

(iii) Except as otherwise provided in the Merger Agreement, Save-A-Lot shall exclusively bear (and neither Supervalu nor any members of the Supervalu Group shall have any obligation to repay or reimburse Save-A-Lot or any member of the Save-A-Lot Group for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by Save-A-Lot or any member of the Save-A-Lot Group under the policies as provided for in this Section 5.1(b). In the event an insurance policy aggregate is exhausted, or believed likely to be exhausted, due to noticed claims, the Save-A-Lot Group, on the one hand, and the Supervalu Group, on the other hand, shall be responsible for their pro rata portion of the reinstatement premium, if any, based upon the losses of such Group submitted to Supervalu's insurance carrier(s) (including any submissions prior to the Effective Time). To the extent that the Supervalu Group or the Save-A-Lot Group is allocated more than its pro rata portion of such premium due to the timing of losses submitted to Supervalu's insurance carrier(s), the other party shall promptly pay the first party an amount so that each Group has been properly allocated its pro rata portion of the reinstatement premium. Subject to the following sentence, Supervalu may elect not to reinstate the policy aggregate. In the event that Supervalu elects not to reinstate the policy aggregate, it shall provide prompt written notice to Save-A-Lot, and Save-A-Lot may direct Supervalu in writing to, and Supervalu shall, in such case, reinstate the policy aggregate; provided that Save-A-Lot shall be responsible for all reinstatement premiums and other costs associated with such reinstatement.

(c) Except as provided in Section 5.1(b), from and after the Effective Time, neither Save-A-Lot nor any member of the Save-A-Lot Group shall have any rights to or under any of the insurance policies of Supervalu or any other member of the Supervalu Group. At the Effective Time, Save-A-Lot shall have in effect all insurance programs required to comply with Save-A-Lot's contractual obligations and such other insurance policies required by Law or as reasonably necessary or appropriate for companies operating a business similar to Save-A-Lot's. Such insurance programs may include general liability, commercial auto liability, workers' compensation, employer's liability, product liability, professional services liability, property, cargo, employment practices liability, employee dishonesty/crime, directors' and officers' liability, fiduciary liability and cyber/privacy liability.

(d) Neither Save-A-Lot nor any member of the Save-A-Lot Group, in connection with making a claim under any insurance policy of Supervalu or any member of the Supervalu Group pursuant to this Section 5.1, shall take any action that would be reasonably likely to (i) have an adverse impact on the then-current relationship between Supervalu or any member of the Supervalu Group, on the one hand, and the applicable insurance company, broker or third party claims administrator, on the other hand; (ii) result in the applicable insurance company terminating or reducing coverage, or increasing in any material respect the amount of any premium owed by Supervalu or any member of the Supervalu Group under the applicable insurance policy; or (iii) otherwise compromise, jeopardize or interfere with the rights of Supervalu or any member of the Supervalu Group under the applicable insurance policy.

(e) All payments and reimbursements by Save-A-Lot pursuant to this Section 5.1 will be made within twenty (20) days after Save-A-Lot's receipt of an invoice therefor from Supervalu. If Supervalu incurs costs to enforce Save-A-Lot's obligations herein, Save-A-Lot agrees to indemnify and hold harmless Supervalu for such enforcement costs, including reasonable attorneys' fees pursuant to Section 4.6(b). Supervalu shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any Save-A-Lot Liabilities and/or claims Save-A-Lot has made or could make in the future, and no member of the Save-A-Lot Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with Supervalu's insurers with respect to any of Supervalu's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. Save-A-Lot shall cooperate with Supervalu and share such information as is reasonably necessary in order to permit Supervalu to manage and conduct its insurance matters as it deems appropriate. Neither Supervalu nor any of the members of the Supervalu Group shall have any obligation to secure extended reporting for any claims under any Liability policies of Supervalu or any member of the Supervalu Group for any acts or omissions by any member of the Save-A-Lot Group incurred prior to the Effective Time.

(f) This Agreement shall not be considered an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the Supervalu Group in respect of any insurance policy or any other contract or policy of insurance.

(g) Save-A-Lot does hereby, for itself and each other member of the Save-A-Lot Group, agree that no member of the Supervalu Group shall have any Liability whatsoever as a result of the insurance policies and practices of Supervalu and the members of the Supervalu Group as in effect at any time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

Section 5.2 Records

Prior to the Effective Time, Supervalu will use commercially reasonable efforts to identify any Records that are related to the Save-A-Lot Business and (i) in the case of Records that are exclusively related to the Save-A-Lot Business, deliver such Records to Save-A-Lot at or prior to the Effective Time and (ii) in the case of Records that are not exclusively related to the Save-A-Lot Business, deliver copies of those portions of such Records that are related to the Save-A-Lot Business to Save-A-Lot, in each case as soon as reasonably practicable prior to or after the Effective Time to the extent commercially reasonable. From and after the Effective Time, notwithstanding Section 5.6, if Save-A-Lot identifies any records that are related to the Save-A-Lot Business that Save-A-Lot reasonably believes are in the possession of a member of the Supervalu Group, Save-A-Lot may, upon delivering to Supervalu a written notice describing such Records in reasonable detail (including the expected location of such Records) and the nature of the reasonable commercial need to be delivered such Records, request that Supervalu use commercially reasonable efforts to either (i) in the case of Records that are exclusively related to the Save-A-Lot Business, deliver such Records

to Save-A-Lot and (ii) in the case of Records that are not exclusively related to the Save-A-Lot Business, deliver copies of those portions of such Records that are related to the Save-A-Lot Business to Save-A-Lot to the extent commercially reasonable, in each case at the sole expense of Save-A-Lot.

Section 5.3 Late Payments. Except as expressly provided to the contrary in this Agreement, any amount not paid when due pursuant to this Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to Prime Rate plus two (2%) percent.

Section 5.4 Inducement. Save-A-Lot acknowledges and agrees that Supervalu's willingness to cause, effect and consummate the Separation and the Merger has been conditioned upon and induced by Save-A-Lot's covenants and agreements in this Agreement and the Ancillary Agreements, including Save-A-Lot's assumption of the Save-A-Lot Liabilities pursuant to the Separation and the provisions of this Agreement and Save-A-Lot's covenants and agreements contained in Article IV.

Section 5.5 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in the Merger Agreement) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party.

Section 5.6 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall use its reasonable best efforts, prior to, on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Save-A-Lot Assets and the Supervalu Assets and the assignment and assumption of the Save-A-Lot Liabilities and the Supervalu Liabilities and the other transactions contemplated hereby and thereby.

Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of the other Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Supervalu and Save-A-Lot in their respective capacities as direct and indirect stockholders of the members of their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Supervalu, Save-A-Lot or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

## ARTICLE VI

## TERMINATION

Section 6.1 Termination. This Agreement and all Ancillary Agreements may be terminated and the Merger (in accordance with the terms of the Merger Agreement) may be amended, modified or abandoned at any time prior to the Effective Time by Supervalu, in its sole and absolute discretion, without the approval or consent of any other Person, including Save-A-Lot; provided that this Agreement shall not be terminated until the termination of the Merger Agreement in accordance with its terms (at which time this Agreement shall automatically be terminated) without the prior written consent of the Purchaser. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

Section 6.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party or any other Person (including the Purchaser) by reason of this Agreement.

## ARTICLE VII

## MISCELLANEOUS

Section 7.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement and the Exhibits, Schedules, annexes and appendices hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(c) Each Party acknowledges that it and each other Party may execute this Agreement by facsimile, stamp or mechanical signature, and that delivery of an executed counterpart

of a signature page to this Agreement (whether executed by manual, stamp or mechanical signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person.

Section 7.2 Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware irrespective of the choice of laws principles of the State of Delaware including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 7.3 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that neither Party may assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Party hereto. Nothing herein is intended to, or shall be construed to, prohibit either Party or any member of its Group from being party to or undertaking a change of control. Notwithstanding the foregoing, (a) each of Save-A-Lot and Purchaser may collaterally assign its rights hereunder to debt financing sources of Purchaser or Save-A-Lot (including the Lenders) or any collateral agent or trustee therefor without Supervalu's consent and (b) Purchaser may assign any rights and obligations hereunder to its Subsidiaries without Supervalu's consent; provided that in the case of any assignment described in clause (b), no such assignment shall relieve the assignor of its obligations hereunder.

Section 7.4 Third-Party Beneficiaries. Except for (i) the indemnification rights under this Agreement of any Supervalu Indemnitee or Save-A-Lot Indemnitee in their respective capacities as such, (ii) as provided in Article VI and Sections 7.3, 7.14 and 7.19, in each case which are intended to benefit, and to be enforceable by, the parties specified therein, including Purchaser, and (iii) as specified in the Merger Agreement, (a) the provisions of this Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 7.5 Notices. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service, or three (3) days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, and shall be directed to the address set forth below (or at such other address as such Party shall designate by like notice):

If to Supervalu:

SUPERVALU INC.
11840 Valley View Road
Eden Prairie, Minnesota 55344
Attention: Karla Robertson, Executive Vice President, General Counsel and Corporate Secretary

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Igor Kirman & DongJu Song

If to Save-A-Lot (prior to the Effective Time):

Moran Foods, LLC
11840 Valley View Road
Eden Prairie, Minnesota 55344
Attention: Karla Robertson, Executive Vice President, General Counsel and Corporate Secretary

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Igor Kirman & DongJu Song

If to Save-A-Lot (from and after the Effective Time):

Moran Foods, LLC
100 Corporate Office Drive
Earth City, Missouri 63045
Attention: John Breedlove, General Counsel

with copies to (which shall not constitute notice) to:

c/o Onex Partners
712 Fifth Avenue
New York, NY 10019

Attention: Matt Ross

and

Latham &Watkins LLP
555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004

Attention: Paul Sheridan and Bradley Faris

A Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 7.6 Severability. If any provision of this Agreement the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 7.7 Force Majeure. No Party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder or thereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) shall be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition; and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable.

Section 7.8 No Set-Off. Except as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such Party's group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement; or (b) any other amounts claimed to be owed to the other Party or any member of its Group arising out of this Agreement.

Section 7.9 Expenses. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all costs and expenses incurred on or prior to the Effective Time in connection with this Agreement and any Ancillary Agreement, and the consummation of the transactions contemplated hereby and thereby, including the Separation (the "Transaction Expenses"), will be borne by Supervalu; provided that certain specified costs and expenses shall be allocated between the Parties as set forth on Schedule 7.9.

Section 7.10 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 7.11 Survival of Covenants. Except as otherwise contemplated by this Agreement or as otherwise agreed in writing by the Parties, the covenants, representations and warranties contained in this Agreement, and Liability for the breach of any obligations contained herein, shall not survive the Separation.

Section 7.12 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor

shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 7.13 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 7.14 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification; provided that in the event Save-A-Lot or any member of the Save-A-Lot Group is the Party against whom it is sought to enforce such waiver, amendment, supplement or modification, such waiver, amendment, supplement or modification must be signed by the authorized representative of Purchaser.

Section 7.15 Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement; (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) unless otherwise specified in a particular case, the word "days" refers to calendar days; (h) references to "business day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Minneapolis, Minnesota; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; (j) unless expressly stated to the contrary in this Agreement, all references to "the date hereof," "the date of this Agreement," "hereby" and "hereupon" and words of similar import shall all be references to the date specified in the preamble to this Agreement and (k) the phrases "member of the Save-A-Lot Group" and "member of the Supervalu Group" and correlative phrases shall not be interpreted to refer to any natural person as such a member. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Merger Agreement.

Section 7.16 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, but without limiting any recovery expressly provided by Section 6.2, neither Save-A-Lot or

any member of the Save-A-Lot Group, on the one hand, nor Supervalu or any member of the Supervalu Group, on the other hand, shall be liable under this Agreement to the other for any (a) exemplary or punitive damages of the other party or (b) consequential, special, incidental or indirect damages, except in the case of the foregoing clause (b) to the extent such damages are reasonably foreseeable, and except in each case in either of the foregoing clauses (a) or (b) for any such damages to the extent actually paid to a third party, including a Governmental Authority.

Section 7.17 Performance. Supervalu will cause to be performed all actions, agreements and obligations set forth in this Agreement to be performed by any member of the Supervalu Group. Save-A-Lot will cause to be performed all actions, agreements and obligations set forth in this Agreement to be performed by any member of the Save-A-Lot Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement or the transactions contemplated hereby.

Section 7.18 Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

Section 7.19 Obligations under the Merger Agreement. For the avoidance of doubt, and notwithstanding anything to the contrary herein, nothing in this Agreement shall provide a defense to, or prejudice in any way, any claim by Purchaser or any Purchaser Indemnified Party against Supervalu for indemnification under the Merger Agreement for a breach by Supervalu of any representation, warranty, covenant or agreement thereunder.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Parties have caused this Separation Agreement to be executed by their duly authorized representatives.

SUPERVALU INC.

By: /s/ Bruce Besanko

Name: Bruce Besanko

Title: EVP, Chief Operating Officer and Chief Financial Officer

MORAN FOODS, LLC

By: /s/ Rob Woseth

Name: Rob Woseth

Title: Manager

[*Signature Page to Separation Agreement*]

Exhibit 99.1

# SUPERVALU Announces Sale of Save-A-Lot Business for $1.365 Billion

**Minneapolis, MN - October 17, 2016 -** SUPERVALU INC. (NYSE: SVU) today announced that it has entered into a definitive agreement whereby an affiliate of Onex Corporation (TSX: OCX) will acquire SUPERVALU's Save-A-Lot business for $1.365 billion in cash, subject to customary closing adjustments. In connection with the sale, SUPERVALU and Save-A-Lot will enter into a five-year professional services agreement. The sale of Save-A-Lot is expected to be completed by January 31, 2017, subject to regulatory approvals and other customary closing conditions.

"Today's announcement is the result of a thorough process to maximize the value of the Save-A-Lot business and best position SUPERVALU for future success," said SUPERVALU Non-Executive Chairman of the Board, Jerry Storch. "SUPERVALU is successfully executing on its long term strategic vision and positioning the Company for continued growth and value creation. We are confident that this transaction will create exciting opportunities for both SUPERVALU and Save-A-Lot."

"The sale of Save-A-Lot is another important step in SUPERVALU's transformation. It provides us with a stronger balance sheet that will allow us to further build on our core strengths and growth opportunities," said SUPERVALU President and CEO, Mark Gross. "It has been a pleasure to work with the Save-A-Lot team, and, once this transaction is completed, I look forward to continuing to work with them as one of our largest professional services customers."

Under the terms of the professional services agreement, SUPERVALU will provide Save-A-Lot with certain services and support functions for its day-to-day operations, including cloud services, merchandising technology, payroll, finance, and other technology and hosting services.

SUPERVALU expects to use the net proceeds from the sale to prepay at least $750 million against its outstanding term loan balance. The Company intends to use the remaining net sale proceeds to further reduce debt and improve its capital structure, as well as to fund corporate and growth initiatives.

**Advisors**

Barclays Capital Inc. and Greenhill & Co., LLC acted as financial advisors to SUPERVALU, and Wachtell, Lipton, Rosen & Katz is serving as its legal advisor.

**Conference Call**

As previously announced, SUPERVALU will hold its fiscal 2017 second quarter conference call on Wednesday, October 19, 2016 at 9:00 a.m. Central Time, at which time SUPERVALU will also discuss the sale of Save-A-Lot in more detail. The call will be webcast live at www.supervaluinvestors.com (click on microphone icon).

**About SUPERVALU**

SUPERVALU INC. is one of the largest grocery wholesalers and retailers in the U.S. with annual sales of approximately $18 billion. SUPERVALU serves customers across the United States through a network of 3,342 stores composed of 1,773 stores operated by wholesale customers serviced primarily by the Company's food distribution business; 1,368 Save-A-Lot stores, of which 896 are operated by licensee owners; and 201 traditional retail grocery stores (store counts as of June 18, 2016). Headquartered in Minnesota, SUPERVALU has approximately 40,000 employees. For more information about SUPERVALU visit www.supervalu.com.

**About Save-A-Lot**

As one of the largest hard-discount grocery retailers in the United States, Save-A-Lot owns and operates 472 corporate stores, and services and supplies another 896 licensee-owned stores across the country (store counts as of June 18, 2016). With more than 1,300 stores in urban, suburban, and rural areas, Save-A-Lot reaches

more than 5 million shoppers each week. Store sizes vary, but in general range in size between approximately 15,000-20,000 square feet. The stores provide a limited selection of national and exclusive store brand products with a focus on its fresh offerings including USDA-inspected beef, pork and poultry, and farm-fresh fruits and vegetables.

# # #

**FORWARD-LOOKING STATEMENTS**

*Except for the historical and factual information contained herein, the matters set forth in this communication, particularly those pertaining to SUPERVALU'S expectations, guidance, or future operating results, and other statements identified by words such as "estimates," "expects," "projects," "plans," "intends," and similar expressions are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including the possibility that regulatory and other approvals and conditions to the transaction are not received or satisfied on a timely basis or at all; the possibility that modifications to the terms of the transaction may be required in order to obtain or satisfy such approvals or conditions; the possibility that Supervalu may not fully realize the projected benefits of the transaction; changes in the planned use of proceeds from the transaction; changes in the anticipated timing for closing the transaction; business disruption during the pendency of or following the transaction; diversion of management time on transaction-related issues; and the reaction of customers and other parties to the transaction and other risk factors relating to our business or industry as detailed from time to time in SUPERVALU's reports filed with the SEC. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, SUPERVALU undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*

*CONTACT:*

***SUPERVALU INC.***

***Investor Contact***

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*steve.j.bloomquist@supervalu.com*

*or*

***Media Contact***

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*jeffrey.s.swanson@supervalu.com*