

## Management Development/Compensation Committee Charter

### Purposes

The purposes of the Management Development/Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Albertson’s, Inc. (the “Company”) shall include the following:

1. Discharging the Board’s responsibilities relating to compensation of the Company’s executives.
2. Producing an annual report on executive compensation for inclusion in the Company’s proxy statement or the annual report.
3. Adopting (with the concurrence of the full Board as deemed appropriate by the Committee), administering and overseeing the executive compensation program, management and non-employee director deferral programs and the executive level succession planning process.
4. Recommending the level of compensation for non-employee directors to the full Board for its approval.

### Composition

*Size.* The Committee shall consist of three or more directors.

*Qualifications.* Each Committee member must satisfy the applicable independence requirements set forth in the rules of the New York Stock Exchange.

*Appointment and Removal.* The Board selects Committee members based on recommendations of the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends to the full Board a Committee Chair from among the Committee’s members and the Board will approve the appointment of such Committee Chair. Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

### Powers and Duties

The powers and duties of the Committee shall include the following:

1. Reviewing and adopting the total compensation philosophy covering officers and other key executives of the Company and periodically reviewing an analysis of the competitiveness of the total compensation practices of the Company, comparing the relationship between pay practices and the financial performance of the Company.
2. Reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer. The Committee will evaluate the performance of the Chief Executive Officer in light of those goals and objectives

and, either on its own or together with the independent directors as a group, determine the compensation level of the Chief Executive Officer based on this evaluation. The Committee will report the results of its evaluation of the Chief Executive Officer's performance to the Board and will inform the Board of its decisions relating to the compensation level of the Chief Executive Officer.

3. Reviewing and, as deemed appropriate by the Committee, either authorizing or recommending that the full Board authorize all compensation actions affecting the directors, other than the Chief Executive Officer, who are officers of the Company.
4. Overseeing the evaluation of the performance of the Company's management against corporate goals and objectives that have been set for management by the Chief Executive Officer and/or the Board. The Committee shall conduct its evaluation in such a manner as it deems appropriate. The Committee may report the results of such evaluation to the Board.
5. Reviewing the recommendations of the Chief Executive Officer regarding the annual base salaries of the Executive Vice Presidents and above of the Company and of the other senior officers, and taking such action as the Committee deems appropriate.
6. Reviewing and, as deemed appropriate by the Board, either authorizing or recommending that the full Board authorize the terms and conditions of proposed incentive bonus plans applicable to corporate officers of the Company other than the Chief Executive Officer, establishing performance criteria (with input from Company management) relating to such incentive bonus plans, and determining whether such criteria have been met prior to the payment of such awards.
7. Reviewing proposed stock option plans, other long-term incentive plans and stock purchase plans and all proposed changes to these plans and, as deemed appropriate by the Board, either authorizing or recommending that the full Board and/or the stockholders of the Company authorize such plans.
8. Administering the stock option plans of the Company and delegating to the Chief Executive Officer the duty of designating, subject to the review of the Committee, the employees of the Company to whom the options under stock option plans are to be granted and the number of shares subject to each said option.
9. Reviewing and authorizing disclosures to be made in the name of the Committee concerning the executive compensation programs of the Company and reviewing and authorizing other information concerning these programs to be disclosed in the Company's annual proxy statement.
10. Reviewing and evaluating amendments to the Company's existing deferred compensation plans and grantor trusts for management and for non-employee directors as well as, from time to time, considering the adoption of additional deferred compensation plans and grantor trusts for management and non-employee directors and recommending such plans and trusts for adoption or approval by the full Board and to the stockholders, if necessary.

11. Delegating to the appropriate officers of the Company the administration of the Company's deferred compensation plans and grantor trusts for management and non-employee directors.
12. Reviewing and approving any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any executive officer of the Company. The Committee shall review and approve any severance or other termination payments proposed to be made to any executive officer of the Company.
13. Reporting Committee action to the full Board in such manner and at such times as the Committee or the Board deem appropriate.
14. Reviewing at least annually the executive level succession plan for the positions of Chief Executive Officer, Executive Vice President, Senior Vice President, Group Vice President and Division President.
15. Reviewing at least annually the Company's diversity and EEO results at the officer level.
16. Periodically reviewing the status of non-employee director compensation and discussing this review with the full Board.
17. Recommending the level of compensation for non-employee directors to the full Board for its approval.
18. Performing such other duties as are delegated by the full Board.

## **Meetings**

The Committee will meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee Chair will, in consultation with the other Committee members and appropriate officers of the Company, establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board will constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by law, the Company's Certificate of Incorporation, its Bylaws or this Charter. The Committee Chair will supervise the conduct of the meetings and will have other responsibilities as the Committee may specify from time to time.

The Committee may request any officer or other employee of the Company, or any representative of the Company's advisors, to attend a meeting or to meet with any members or representatives of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting unless specifically invited by the Committee. Any Committee member may be excused from a meeting to permit the

remaining Committee members to act on any matter in which such member's participation is not appropriate and such member's absence shall not destroy the quorum for the meeting.

### **Resources and Authority**

The Committee shall have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding, in such amounts as the Committee deems necessary, to compensate any consultants and any independent advisors retained by the Committee. The Committee will have the sole authority to retain and terminate compensation consultants to assist in the evaluation of executive officer compensation and director compensation and the sole authority to approve the fees and other retention terms of such compensation consultants. The Committee may also retain independent counsel and other independent advisors to assist it in carrying out its responsibilities.

### **Annual Review**

At least annually, the Committee will (a) review this Charter with the Board and recommend any changes to the Board and (b) participate (in connection with the Nominating/Corporate Governance Committee's annual review of Board and Committee performance) in an annual review and evaluation of the Committee's performance with respect to the requirements of this Charter. The Committee will conduct its review and evaluation in such manner as it deems appropriate.

### **Availability of This Charter**

This Charter will be included on the Company's website and will be made available in print to any stockholder of the Company who submits a request to the Secretary for a copy of this Charter. The Company's annual report to stockholders will state that this Charter is available on the Company's website and will be available in print to any stockholder of the Company who submits to the Secretary a request for a copy of this Charter.