

## **SUPERVALU INC.**

### **CHARTER OF THE EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE AND THE SUBCOMMITTEE FOR QUALIFIED PERFORMANCE BASED COMPENSATION**

#### **I. Statement of Purpose**

The Executive Personnel and Compensation Committee (the “Committee”) is a standing committee of the Board. The purpose of the Committee is to discharge the responsibility of the Board relating to the compensation of the Company’s executive officers and such other employees as the Committee may determine, and related matters. The Committee is also responsible for handling such other matters, as the Board deems appropriate from time to time.

#### **II. Organization**

*A. Charter.* At least annually, this charter shall be reviewed and reassessed by the Committee and any proposed changes shall be submitted to the Board for approval.

*B. Members.* The Committee shall be comprised of at least two members of the Board who are appointed by the Board. The Board shall also designate a Committee Chairperson. The Committee members shall meet the independence and other requirements established by law, the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange. The Board may replace Committee members.

*C. Meetings.* In order to discharge its responsibilities, the Committee shall each year, establish a schedule of meetings; additional meetings may be called by the Committee Chairperson as required.

*D. Quorum; Action by Committee.* A quorum at any Committee meeting shall be at least two members. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held, except as specifically provided herein (or where only two members are present, by unanimous vote). Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

E. *Agenda, Minutes and Reports.* The Chairperson of the Committee shall be responsible for appointing a Secretary to the Committee and establishing the agendas for Committee meetings. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to Committee members prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The Committee shall make regular reports to the Board.

F. *Performance Evaluation.* The Committee shall develop criteria to evaluate its performance, and shall conduct an evaluation on an annual basis, reporting the outcome to the Board.

G. *Committee Procedures.* The Committee may from time to time establish operating procedures including which items may be delegated to management, reserved for the Committee or reserved to the Board or shareholders.

### III. Role of the Committee and the Subcommittee

The Committee shall have the responsibilities and authority designated in paragraph IV below. Notwithstanding the foregoing, if any Committee member shall be considered an inside director for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, then the Committee shall automatically be reconstituted to form a second committee, the Subcommittee for Qualified Performance Based Compensation (the "Subcommittee"), for such period of time as the inside director continues to be a member of the Committee. All existing Committee members shall continue to serve as the members of the Committee and all members other than the inside director shall constitute the Subcommittee. In the event the Subcommittee is formed, then the authority of the Committee to take certain actions shall be automatically delegated to and become the sole responsibility of the Subcommittee as provided in paragraph V.A below.

### IV. Committee Responsibilities

The principal responsibilities of the Committee shall be as follows, except to the extent that they may be delegated to the Subcommittee under paragraph V.A below.

A. *Compensation of the Chief Executive Officer.* The Committee shall review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives, and either as a committee or together with other independent directors (as directed by the Board), determine and approve the CEO's compensation level, including salary, annual incentive awards, long-term incentives, equity awards and severance arrangements based on such evaluation, as well as any special benefits or perquisites.

B. *Compensation of Persons Other Than the CEO.* The Committee shall have the authority to fix the level of executive compensation or executive positions as to which compensation shall be subject to its review, and approve and when appropriate, report to the Board:

1. The overall structure of the Company's executive compensation programs, including pay philosophy, peer group and competitive comparisons, and any material changes thereto, in order to ensure that compensation provided is fair, equitable and performance-based, and reasonably assures retention of executives.
2. The compensation of corporate officers (other than the CEO) and highly compensated individuals, including salary, annual salary increases, the amount of annual incentive payouts in accordance with the approved bonus plans, as well as any special benefits or perquisites.
3. The granting of stock options, stock appreciation rights and other stock based or denominated awards, and the terms thereof, including stock ownership guidelines, except as otherwise delegated by the Board.

C. *Administration of Compensation Plans.* The Committee shall have authority to make all routine decisions and interpretations and to take all actions to administer the Company's compensation plans and programs, unless otherwise provided for under the terms of any such plans or programs, and may, in its discretion, delegate such authority to management, to the extent not provided for under any such plans or programs. The Committee shall also have authority to recommend changes in such plans to the Board and shareholders as required.

D. *Retirement Plans.* The Committee shall review and recommend to the Board for its approval, material changes or additions to the Company's qualified and non-qualified retirement plans.

E. *Change-In-Control Policies and Material Employment or Separation Agreements.* The Committee shall review and recommend to the Board for its approval, "change-in-control" agreements and policies related to the Company's compensatory plans, as well as the terms of any material employment or separation agreements for the Company's executive officers.

F. *Election of Officers.* The Committee shall review and recommend to the Board for its approval, the annual election of the Company's corporate officers.

G. *Management Succession.* The Committee shall review and recommend to the Board for approval, the management development and succession planning process, which includes the evaluation (and recommendation to the Board) of successors to the CEO, with emphasis on continuing top management availability and orderly succession to the position of CEO. The succession plan should be considered at least annually by the Committee and then reviewed by the Board.

H. *Access to Records and Consultants.* In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company, and may retain outside compensation consultants to assist in the evaluation of CEO or senior executive compensation, or to otherwise advise the Committee. The Committee shall have the sole authority and responsibility to engage or terminate any outside consultant and to approve the terms of any such engagement and the fees of any such consultant or firm.

I. *Compensation Committee Report.* The Committee shall produce and approve, a report on executive compensation as required by the Securities and Exchange Commission, to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the Securities and Exchange Commission.

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V. Subcommittee for Qualified Performance Based Compensation:

A. *Responsibility and Authority of Subcommittee.* The Subcommittee, if formed, shall have the following responsibilities and authority to be exercised to the same extent and in the same manner as provided above as to the Committee:

1. To approve the amount of all annual incentive payouts to executive officers in accordance with approved bonus plans.
2. To take all actions in connection with all long-term incentive programs, including, but not limited to, establishing, amending, and administering all stock based compensation plans.
3. To take all actions in connection with any other plan or program if the compensation paid under the program is intended to qualify as "performance based compensation" within the meaning Section 162(m) of the Internal Revenue Code.

B. *Meetings.* The Subcommittee shall meet in conjunction with or immediately following each meeting of the Committee, to the extent of the business required to be considered by the Subcommittee. Notice of a meeting given to the members of the Committee shall also constitute notice of a meeting of the Subcommittee. Any member of the Committee who is considered an inside director for purposes of Section 162(m) of the Internal Revenue Code shall nonetheless be invited to attend all meetings of the Subcommittee, but shall have no vote as to Subcommittee matters.