

# SUPERVALU INC.

## CHARTER OF THE LEADERSHIP DEVELOPMENT AND COMPENSATION COMMITTEE

(Revised January 2017)

### I. Statement of Purpose

The Leadership Development 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 oversight of the human resources practices relating to executives. The primary areas of focus are the compensation of the Company’s executive officers and such other employees as the Committee may determine, and the development of future leaders of the Company through the succession planning process 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 three 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 requirements of the New York Stock Exchange for directors and compensation committee members, as determined by the Board, and shall qualify as “non-employee directors” under Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and as “outside directors” under Section 162(m) of the Internal Revenue Code. The Board may replace Committee members.

C. *Meetings.* In order to discharge its responsibilities, the Committee shall annually 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 a majority of those in office. 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. 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 policies or procedures including which items may be delegated to management, reserved for the Committee or reserved to the Board or shareholders.

H. *Delegation.* The Committee may delegate any of its responsibilities to a subcommittee comprised of two or more members of the Committee.

### III. Committee Responsibilities

The principal responsibilities of the Committee shall be as follows.

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 performance of the CEO in light of those goals and objectives, and recommend for approval by all of the independent directors who also qualify as "non-employee directors" and "outside directors" as set forth above, including members of the Committee, the compensation level of the CEO, 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 oversee the evaluation of other executive officers, shall have the authority to fix the level of executive compensation for executive positions as to which compensation shall be subject to its review, and shall approve the following:

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 see that compensation provided is fair, equitable and performance-based, and serves the objective of retention of executives, with consideration of such factors as the Committee deems appropriate, including the performance of the Company and such executive officers and senior officers, the compensation paid to persons in similar positions at comparable companies, and the relationship between the aggregate compensation to be received by such executive officers and senior officers and the aggregate compensation to be received by the CEO (including at such comparable companies).
2. The compensation of "Section 16" officers (other than the CEO) and any other corporate officers who directly report to the CEO, 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. *Results of Advisory Vote on Executive Compensation.* The Committee shall assess the results of the Company's most recent advisory vote on executive compensation.

D. *Administration of Compensation Plans.* Unless otherwise provided for under the terms of the Company's compensation plans and programs, the Committee shall have authority to make all routine decisions and interpretations and to take all actions to administer such compensation plans and 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.

E. *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.

F. *Change-of-Control Policies and Material Employment or Separation Agreements.* The Committee shall review and recommend to the Board for its approval (i) all "change-of-control" agreements, (ii) policies related to the Company's compensatory plans for the Company's Section 16 officers, and (iii) the terms of any material employment or separation agreements for the Company's Section 16 officers.

G. *Risk Assessment.* The Committee shall review at least annually a report from management confirming that the Company's compensation policies and practices for employees do not encourage excessive or inappropriate risk taking and review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and executive compensation.

H. *Clawback Policy.* The Committee shall establish and periodically review a policy for the recovery of erroneously awarded compensation.

I. *Election of Officers.* The Committee shall review and recommend to the Board for its approval, any corporate officers to be elected by the Board.

J. *Management Succession.* The Committee shall review the leadership 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 also includes succession plans for executive officers and other key positions and should be considered at least annually by the Committee and then reviewed by the Board.

K. *Stock Ownership and Retention Guidelines.* The Committee shall establish and periodically review the Company's stock ownership and retention guidelines, including an annual review of compliance of executive officers with such guidelines.

L. *Access to Records.* In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company, and may retain outside consultants to assist in the evaluation of CEO or senior executive compensation, or to otherwise advise the Committee.

M. *Conflicts of Interest Assessment for Compensation Consultants.* At least annually, the Committee shall assess whether the work of compensation consultants involved in determining or recommending executive or director compensation has raised any conflict of interest that is required to be disclosed in the Company's annual report and proxy statement. If the Committee determines that the work of a compensation consultant would raise a conflict of interest, the Committee shall determine how the conflict of interest will be addressed. Additionally, the Committee Chair shall pre-approve any work to be done by a compensation consultant with expected billings in excess of \$25,000 per year that was not requested by the Committee.

N. *Compensation Consultant and Other Committee Advisors.* The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of and terminate any compensation consultant used to assist in the evaluation of the compensation of our directors, CEO or other senior executives, and any outside legal counsel and other advisors, and to approve the terms of such retention and the fees of any such consultant, outside legal counsel or other advisor. The Committee will be directly responsible for the appointment, compensation and oversight of the work of any consultants, outside legal counsel and other advisors retained by the Committee, and will receive appropriate funding, as determined by the Committee, from the Company for payment of compensation to any such advisors.

Prior to selecting or receiving advice from any compensation consultant, outside legal counsel or other advisor (whether retained by the Committee or management) that provides advice to the Committee, and from time to time thereafter as the Committee deems appropriate, the Committee shall consider all factors relevant to such person's or firm's independence from management, in accordance with the New York Stock Exchange listing standards.

O. *Compensation Committee Report and Review of Compensation Discussion and Analysis.* The Committee shall (A) oversee the preparation of the report 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 and (B) review and discuss with management the "Compensation Discussion and Analysis" and related disclosures of the Company required by the Securities and Exchange Commission and make a recommendation to the Board as to whether such disclosure should be included in the appropriate regulatory filing with the Securities and Exchange Commission.