

SUPERVALU INC.
POLICY AND PROCEDURES REGARDING
TRANSACTIONS WITH RELATED PERSONS

PURPOSE

The Audit Committee of the Board of Directors of SUPERVALU INC. (the “Company”) is responsible for the review, approval or ratification of all “transactions with related persons” as that term refers to transactions required to be disclosed by Item 404 of Regulation S-K promulgated by the Securities and Exchange Commission.

DEFINITIONS

“Related Person” means:

- any person who is in any of the following categories: (i) any director or executive officer (as defined for purposes of Section 16 of the Securities Exchange Act of 1934) of the Company; (ii) any nominee for director of the Company; or (iii) any Immediate Family Member of any of the foregoing persons; and
- any person who is in any of the following categories when a Transaction in which such person has a direct or indirect material interest occurs or exists: (i) a security holder known to the Company to be the beneficial owner of more than five percent of any class of the Company’s voting securities; or (ii) any Immediate Family Member of any such security holder.

“Immediate Family Member” means any child, stepchild, parent, stepparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing the household of a person.

“Transaction” includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships. “Transaction” does not include any compensation arrangements with executive officers or directors of the Company that have been approved or authorized by the Executive Personnel and Compensation Committee of the Board of Directors.

“Covered Transaction” includes any Transaction in which the Company is a participant and a Related Person will have a direct or indirect material interest and where the amount involved exceeds \$120,000.

A person’s “material interest” in a Transaction must be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to

the Transaction with each other and the amount involved in the Transaction are among the factors to be considered in determining the significance of the information to investors. A person will not be deemed to have a “material interest” in a Transaction if the interest arises only: (a) from the person’s position as a director of another corporation or organization that is a party to the Transaction; or (b) from the direct or indirect ownership by such person and all other Related Persons, in the aggregate, of less than a ten percent equity interest in another person (other than a partnership) which is a party to the Transaction; or (c) from a combination of both (a) and (b); or (d) from the person’s position as a limited partner in a partnership in which the person and all other Related Persons, have an interest of less than ten percent, and the person is not a general partner of and does not have another position in the partnership.

POLICY

Any Covered Transaction is subject to the review, approval or ratification of the disinterested members of the Audit Committee; provided that if ratification shall not be forthcoming, management shall make all reasonable efforts to cancel or annul such Transaction, or the Related Person shall make all reasonable efforts to eliminate any material interest in such Transaction.

All executive officers and directors of the Company will be informed in writing on an annual basis of these policies and procedures.

PROCEDURES

Management of the Company shall disclose to the Audit Committee, through the Company’s Chief Executive Officer and the Corporate Secretary, all material information with respect to any Covered Transaction prior to entering into such Covered Transaction, including where relevant and without limitation:

- The name of the Related Person and the basis on which the person is a Related Person;
- The business purpose and the terms of the Covered Transaction and the reasons for the Company’s participation in such transaction;
- If the Company is a buyer or seller of property or services, the process used by the Company to evaluate the Covered Transaction;
- The Related Person’s and the Company’s interest in the Covered Transaction, including the Related Person’s position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the Covered Transaction;
- The approximate dollar value of the amount involved in the Covered Transaction and of the amount of the Related Person’s interest in the Covered Transaction, each of which shall be computed without regard to the amount of profit or loss; and

- Any other relevant information regarding the Covered Transaction or the Related Person in the context of the transaction that could be material to investors in light of the circumstances of the particular transaction.

Executive officers, directors and nominees for directors of the Company shall disclose to the Corporate Secretary any interest that such person or any Immediate Family Member of such person has in any Transaction. The Corporate Secretary shall disclose such information to the Audit Committee.

In determining whether to authorize, approve or ratify any Covered Transaction, the Audit Committee shall use any process and review any information that it determines is reasonable in light of the circumstances in order to determine if the Covered Transaction is fair and reasonable and on terms no less favorable to the Company than could be obtained in a comparable arm's length transaction with an unrelated third party to the Company.

The Audit Committee may, but shall not be required to, seek bids, quotes or independent valuations from unaffiliated third parties sufficient to enable the Audit Committee to assess the fairness of the Covered Transaction to the Company.

DISCLOSURE

Transactions with Related Parties covered by this policy are to be disclosed in the Company's applicable filings to the extent required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules. Furthermore, any Transaction with a Related Person covered by this policy shall be disclosed to the full Board of Directors.

RESPONSIBILITY

The Chief Executive Officer, Chief Financial Officer and Executive Vice President of the Company are responsible for the implementation of these Procedures and compliance with the disclosure requirements of the federal securities laws with respect to Transactions with Related Persons.