

2023 Albertsons Executive Deferred Compensation Plan

By participating in the Albertsons Executive Deferred Compensation Plan, you are on your way to saving more for your future.

Are you contributing as much as you can to the 401(k) but still want to save more for retirement or other financial goals? With the Albertsons 401(k) Plan, Internal Revenue Code (IRC) limits and other regulations may reduce both the amount you can save and how much Albertsons can match.

With the **Albertsons Executive Deferred Compensation Plan (EDCP)**, you can defer a larger portion of your base salary and bonus compensation. Then, you can invest this tax-deferred money, growing it through investment earnings, until your elected payment date.

Eligibility

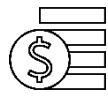
- Store director/manager level and above
- Non-union pharmacy manager or equivalent
- Non-union director-level associate or above
- Non-union full-time pharmacist
- Non-union associate with base salary above the level set annually by Albertsons (\$130,000 for 2023)

Enrollment

You will be invited to enroll each year you are eligible. For 2023, the annual enrollment period is November 28 – December 16, 2022. **You must enroll each year during the enrollment period to participate the following calendar year. If you participate in the EDCP in 2023, any 401(k) excess contributions made in 2023 (as determined by 401(k) Plan non-discrimination testing completed in 2024), can be credited to the EDCP rather than returned to you as taxable income in 2024. By not participating at least at the 1% level, you may be missing out on free Company match money.**



Defer pay to Albertsons EDCP and set up distribution elections



Make investment elections (same options as 401(k))



Watch deferrals grow tax-deferred



Scheduled distributions begin on payment date you selected

Deferral limits

You can defer up to 50% of your eligible base salary and/or up to 100% of your eligible bonus. There are no contribution limits as there are with the 401(k) plan.

Questions?

Call Fidelity at 866-956-3433 Monday through Friday from 8:30 a.m. to midnight ET (excluding most holidays).

Para español, llame al 800-587-5282.

* This plan is an unfunded, nonqualified plan, and no funded account has been established for you. Any account is only a recordkeeping account that records your deferred compensation and any notional earnings applicable to your deferred compensation. In the event of bankruptcy or insolvency, you would be an unsecured, general creditor of the Company.

Key takeaways

- To maximize your retirement savings, put away as much as you can into your 401(k) (and other tax-advantaged accounts) first, then save more (and get more match money from Albertsons) with the EDCP*
- Participate by deferring as little as 1% of base salary or 1% of bonus
- Multiple investment options
- Schedule distribution payment date for retirement or other financial goals
- Enrollment does NOT roll over from year to year
- Enroll by 11:59 p.m. ET December 16, 2022

* If you are considered a highly compensated employee based on IRS guidelines, be aware your 401(k) Plan contribution may be limited due to failure of nondiscrimination testing—usually to around \$12,000.

Your EDCP enrollment window for 2023 is Nov 28 – Dec 16, 2022

Be sure to review your enrollment decision with your personal tax advisor or financial planner to assess your overall financial picture.

When you are ready, Fidelity NetBenefits® makes enrolling easy.

REMINDER: You must enroll each year during the enrollment window to participate the following calendar year.

Executive Deferred Compensation Plan FAQs

What is the Albertsons Executive Deferred Compensation Plan?

The Plan is a nonqualified deferred compensation plan in which participants can electively defer the receipt of certain types of compensation to a future date. The plan is a voluntary program that enables participants to set aside eligible compensation in a tax-deferred vehicle for retirement or other life event purposes.

What are the advantages of the plan?

The Plan is designed to enhance your total compensation package with the Company by providing additional retirement savings opportunities. The Plan offers flexibility in contribution amounts, investment and payment options. Contributions and associated earnings are not subject to income taxes until the calendar year in which they are distributed.

How does the EDCP differ from the 401(k) Plan?

- Participation is limited to a select group of individuals.
- Plan contributions are not limited by qualified plan government regulations.
- Participant benefits are considered an asset of the Company and may be reduced or forfeited in the event of the Company's bankruptcy or insolvency.
- Distributions may occur penalty-free prior to age 59, as specified by the Plan.
- Participants may not roll over their account balance to a 401(k), IRA or other qualified retirement plan.
- Participants may not take a loan from their Plan balance.

Are EDCP distributions taxed?

Yes, payments from the Plan are taxed as ordinary income when they are distributed to you and subject to mandatory withholding of applicable federal, state and local income taxes.

How do I enroll in the EDCP?

In order to defer compensation into the Plan, you must enroll online during the annual Open Enrollment window. Log in to netbenefits.com and select the link for the EDCP.

If you need assistance with completion of your enrollment elections, contact Fidelity at **866-956-3433** Monday through Friday from 8:30 a.m. to midnight ET (excluding most holidays).

Can I change my deferral election during the year?

No, once you make your deferral election, you cannot change your deferral election until the next annual enrollment period.

Can I change my EDCP distribution election once I've made it?

Yes, but the law limits changes. Most importantly, you can only delay a payment; you can't accelerate it. If you want to change a distribution election, you must:

- Defer the first payment for at least five years after the payment date you originally chose; and
- Make the change at least 12 months before the payment date you originally elected.

For example, suppose you chose to have some of your deferred compensation paid in January 2025, but later decide to change that election. Your new payment date cannot be earlier than January 2030, and your change must be in place by January 2024.

Does my EDCP enrollment roll over from year to year?

No. You must enroll each year if you want to participate.

What will happen to my EDCP plan contributions if the planned Kroger/Albertsons merger occurs?

No decisions have been made regarding the EDCP. Under the terms of the plan document, if the plan is terminated at any point, your vested benefits will be paid to you as soon as is practicable. Plan distributions under these plans are taxable in the year distributed.