

An aerial, high-angle photograph of a large grocery store interior, likely an Albertsons. The store is filled with various aisles, including produce, bulk bins, and packaged goods. Several customers are visible, some pushing shopping carts. The entire image is overlaid with a semi-transparent blue filter. The text is centered over the image.

# Albertsons Companies Executive Deferred Compensation Plan

**Annual Enrollment Window: Nov. 27 - Dec. 15, 2023**



# Today's conversation

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# EDCP Overview

- Companion to the Albertsons Companies 401(k) Plan
- Defer more than is generally possible with the 401(k) Plan
- Increase matching contributions
- Receive 401(k) matching contributions you may otherwise forfeit

**But you have to enroll first!**



# Annual Enrollment Window

One enrollment  
window each year

**Nov. 27 to  
Dec. 15, 2023**

## **Eligible to enroll:**

- Store director/manager level and above
- Non-union pharmacy manager and equivalent
- Non-union director-level associate and above
- Non-union full-time pharmacist
- Non-union associate with compensation above the level determined annually by the Albertsons Companies Retirement Benefit Administrative Committee

# How the EDCP Works

## Deferring compensation to the EDCP

- Up to 50% of eligible base salary
- Up to 100% of eligible bonus **earned during fiscal year 2023**

- Any deferral amount—**even as little as 1%**—counts as participation

- Enrollment doesn't roll over from year to year
- **Must enroll each year to participate**

Applicable federal, state and local taxes will be withheld when deferrals are made.



# How the EDCP Works

## Company contributions

- Match up to 7% of compensation (less actual 401(k) match received)\*
- Credit any excess 401(k) pre-tax contributions and matching contributions that might otherwise be returned or forfeited

\* Historically, Albertsons has matched 50% of every dollar contributed, up to 7% of pay

## Vesting

- Immediately 100% vested in your contributions and any related earnings
- 50% vested in company contributions and any related earnings after 2 years; 100% after 3 years

# How the EDCP Works

## Distributions

- Make a distribution election for each year's deferrals when you enroll
- Can elect to have deferrals paid when you leave or retire from Albertsons
- Can also elect payment on a specific date
- Choose lump sum or annual installments over 2 to 10 years

Payments from the EDCP 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 the EDCP Works

## Changes to distribution elections

Can change if:

- ✓ New distribution date is at least 5 years after the original distribution date
- ✓ Change is made at least 12 months before original distribution date

## Changes to deferral elections

No changes after enrollment window closes



# How the EDCP Works

## Investments

Wide range of investment crediting options

Earnings calculated and credited to account as if invested in the options you choose

No investment elections? Deferrals credited with earnings based on the Blackrock LifePath® Index\* fund closest to the year you turn 65

\* Target date funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. The principal amount from your account credited to an investment option is not guaranteed.

# How the EDCP Works

## Key things to know

- No loans or rollovers
- EDCP is an “unfunded” plan
  - ✓ Benefits are paid from the general assets of Albertsons Companies
  - ✓ If Albertsons Companies were to become insolvent, claims of creditors may have priority over payment of your benefit



# Example — Sindhu



Hypothetical examples for illustration only.

**Total salary \$190,000**

- Base \$160,000
- Bonus \$30,000



Defers 10% of total pay to 401(k) Plan:  
**\$19,000**

Eligible for full match:  
**50% up to 7% of pay contributed**

# What happens if Sindhu doesn't participate in the EDCP?



What Sindhu hopes to contribute to the 401(k)

Total potential  
401(k) contribution  
**\$25,650**

Total 401(k) deferrals:  
**\$19,000**

Eligible to receive full match:  
**\$6,650**

What happens after  
nondiscrimination testing

Total returned contributions  
and forfeited match  
**(\$8,400)**

Excess 401(k) contributions returned:  
**(\$7,500)**

Matching contributions forfeited:  
**(\$900)**

What Sindhu actually  
contributes to the 401(k)

Total actual  
401(k) contribution  
**\$17,250**



# What happens if Sindhu contributes just 1% of bonus to the EDCP?



What Sindhu defers  
to the EDCP

Total EDCP  
deferral  
**\$300**

+

What Albertsons credits  
to the EDCP

Returned contributions and  
forfeited match  
**\$8,400**

=

**Sindhu's total retirement  
contributions for the year**

Total EDCP deferrals  
and credits  
**\$8,700**

+

Total  
401(k) contribution  
**\$17,250**

# How to Enroll

**Enrollment window: Nov. 27 to 11:59 p.m. ET Dec. 15, 2023**

- 1 Your Deferrals**  
Defer from 1% - 50% of 2024 base pay and/or from 1% - 100% of fiscal year 2024 bonus
- 2 Your Distribution Elections**  
Elect when and how you want the deferrals to be paid
- 3 Your Allocations**  
Select investment options and the percentage for each
- 4 Review & Submit**  
Review elections carefully and click “Submit”
- 5 Confirm Your Elections**  
View your confirmation notice and retain for your records



# Resources

## Plan Overview

## Timeline Examples

## Enrollment brochure

- ✓ Complete plan details
- ✓ FAQs
- ✓ Tax treatment

## EDCP Overview video

Available at:  
[myaci-benefits.com](https://myaci-benefits.com)

The screenshot shows the top of a web page for the Albertsons Companies Executive Deferred Compensation Plan (EDCP). The navigation bar includes links: HOME, WHAT TO KNOW, HOW IT WORKS, 401(k) VS. EDCP, EXAMPLES, QUESTIONS & ANSWERS, and HOW TO ENROLL. The Albertsons logo is on the left, and the headline reads: "Invites you to enroll in the Albertsons Companies Executive Deferred Compensation Plan ('EDCP') for the 2024 plan year." Below the headline is a large photo of a smiling woman in an office setting. To the right of the photo, the section "What You Need to Know" explains that under the 401(k) Plan, IRS limitations may reduce savings and employer matching, which is where the EDCP comes in. It states that participants can defer up to 50% of their annual base salary and 100% of their fiscal year quarterly and annual bonuses. A key benefit is highlighted: "You can receive these additional benefits by deferring as little as 1% of base salary or 1% of your bonus:". Two bullet points follow: 1) Albertsons Companies will match deferrals up to 7% of compensation (less any matching from the 401(k) Plan). 2) Excess contributions or matching contributions that would otherwise be returned or forfeited under the 401(k) Plan will instead be credited to the EDCP account. A blue box at the bottom right contains a checkmark icon and the text: "But you **must enroll each year** to get these benefits."

Available at: [myaci-benefits.com/retirement/edcp](https://myaci-benefits.com/retirement/edcp)

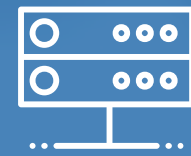
# EDCP and Proposed Merger

## **What will happen to the EDCP if the proposed merger goes through?**

Kroger expects that the ACI Executive Deferred Compensation Plan will be maintained in accordance with its terms for any portion of the 2024 calendar year following the Closing. Following Closing, no amendment or other modification to the Plan will have any retroactive effect to reduce any amounts allocated to a participant's account.



# Questions?



**866-956-3433**

Para español, llame al **800-587-5282**

# Investing involves risk, including risk of loss.

This document provides only a summary of the main features of the Albertsons Companies Executive Deferred Compensation Plan, and the plan document will govern in the event of any discrepancies.

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 a bankruptcy or insolvency, you would be an unsecured, general creditor of the employer or service recipient. For more information on the plan, please refer to the plan documents.

If there is a discrepancy between any information on this site and the plan document, the plan document will govern.

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