

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 30, 2021

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-15723



UNITED NATURAL FOODS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

05-0376157
(I.R.S. Employer Identification No.)

313 Iron Horse Way, Providence, RI 02908
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(401) 528-8634**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.01	UNFI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 5, 2021 there were 56,296,036 shares of the registrant's common stock, \$0.01 par value per share, outstanding.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(In thousands, except for per share data)

	January 30, 2021	August 1, 2020
ASSETS		
Cash and cash equivalents	\$ 40,496	\$ 46,993
Accounts receivable, net	1,136,135	1,120,199
inventories, net	2,228,772	2,280,767
Prepaid expenses and other current assets	238,572	251,891
Current assets of discontinued operations	4,716	5,067
Total current assets	3,648,691	3,704,917
Property and equipment, net	1,671,755	1,701,216
Operating lease assets	1,016,836	982,808
Goodwill	20,084	19,607
Intangible assets, net	928,053	969,600
Deferred income taxes	107,779	107,624
Other long-term assets	95,551	97,285
Long-term assets of discontinued operations	1,391	3,915
Total assets	\$ 7,490,140	\$ 7,586,972
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 1,618,288	\$ 1,633,448
Accrued expenses and other current liabilities	273,520	281,956
Accrued compensation and benefits	220,318	228,832
Current portion of operating lease liabilities	148,359	131,022
Current portion of long-term debt and finance lease liabilities	24,840	83,378
Current liabilities of discontinued operations	8,313	11,438
Total current liabilities	2,293,638	2,370,074
Long-term debt	2,374,250	2,426,994
Long-term operating lease liabilities	894,831	873,990
Long-term finance lease liabilities	134,554	143,303
Pension and other postretirement benefit obligations	255,071	292,128
Other long-term liabilities	308,715	336,487
Long-term liabilities of discontinued operations	15	1,738
Total liabilities	6,261,074	6,444,714
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 5,000 shares; none issued or outstanding	—	—
Common stock, \$0.01 par value, authorized 100,000 shares; 56,763 shares issued and 56,148 shares outstanding at January 30, 2021; 55,306 shares issued and 54,691 shares outstanding at August 1, 2020	568	553
Additional paid-in capital	581,096	568,736
Treasury stock at cost	(24,231)	(24,231)
Accumulated other comprehensive loss	(213,529)	(237,946)
Retained earnings	886,313	837,633
Total United Natural Foods, Inc. stockholders' equity	1,230,217	1,144,745
Noncontrolling interests	(1,151)	(2,487)
Total stockholders' equity	1,229,066	1,142,258
Total liabilities and stockholders' equity	\$ 7,490,140	\$ 7,586,972

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(In thousands, except for per share data)

	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net sales	\$ 6,888,133	\$ 6,431,382	\$ 13,560,740	\$ 12,727,994
Cost of sales	5,897,774	5,514,057	11,603,882	10,903,458
Gross profit	990,359	917,325	1,956,858	1,824,536
Operating expenses	866,880	862,732	1,767,842	1,746,420
Goodwill and asset impairment charges	—	—	—	425,405
Restructuring, acquisition and integration related expenses	17,783	36,522	34,211	51,194
Loss on sale of assets	399	524	169	434
Operating income (loss)	105,297	17,547	154,636	(398,917)
Other expense (income):				
Net periodic benefit income, excluding service cost	(17,127)	(3,277)	(34,160)	(14,661)
Interest expense, net	50,944	48,836	120,077	98,545
Other, net	(1,674)	(1,220)	(2,472)	(1,620)
Total other expense, net	32,143	44,339	83,445	82,264
Income (loss) from continuing operations before income taxes	73,154	(26,792)	71,191	(481,181)
Provision (benefit) for income taxes	16,392	(12,808)	15,401	(79,763)
Net income (loss) from continuing operations	56,762	(13,984)	55,790	(401,418)
Income (loss) from discontinued operations, net of tax	3,803	(16,076)	5,099	(12,050)
Net income (loss) including noncontrolling interests	60,565	(30,060)	60,889	(413,468)
Less net income attributable to noncontrolling interests	(1,605)	(650)	(2,972)	(1,169)
Net income (loss) attributable to United Natural Foods, Inc.	\$ 58,960	\$ (30,710)	\$ 57,917	\$ (414,637)
Basic earnings (loss) per share:				
Continuing operations	\$ 0.98	\$ (0.27)	\$ 0.95	\$ (7.54)
Discontinued operations	\$ 0.07	\$ (0.30)	\$ 0.09	\$ (0.23)
Basic earnings (loss) per share	\$ 1.05	\$ (0.57)	\$ 1.04	\$ (7.77)
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.93	\$ (0.27)	\$ 0.89	\$ (7.54)
Discontinued operations	\$ 0.06	\$ (0.30)	\$ 0.09	\$ (0.23)
Diluted earnings (loss) per share	\$ 1.00	\$ (0.57)	\$ 0.98	\$ (7.77)
Weighted average shares outstanding:				
Basic	56,138	53,523	55,717	53,368
Diluted	59,205	53,523	59,119	53,368

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (unaudited)
(In thousands)

	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net income (loss) including noncontrolling interests	\$ 60,565	\$ (30,060)	\$ 60,889	\$ (413,468)
Other comprehensive income (loss):				
Recognition of pension and other postretirement benefit obligations, net of tax ⁽¹⁾	(300)	7,370	(506)	7,942
Recognition of interest rate swap cash flow hedges, net of tax ⁽²⁾	9,253	(3,752)	21,711	(7,433)
Foreign currency translation adjustments	2,852	(347)	3,257	24
Recognition of other cash flow derivatives, net of tax ⁽³⁾	388	—	(45)	—
Total other comprehensive income	12,193	3,271	24,417	533
Less comprehensive income attributable to noncontrolling interests	(1,605)	(650)	(2,972)	(1,169)
Total comprehensive income (loss) attributable to United Natural Foods, Inc.	\$ 71,153	\$ (27,439)	\$ 82,334	\$ (414,104)

(1) Amounts are net of tax (benefit) expense of \$(0.1) million, \$2.4 million, \$(0.2) million and \$2.6 million, respectively.

(2) Amounts are net of tax expense (benefit) of \$3.2 million, \$(1.3) million, \$7.4 million and \$(2.5) million, respectively.

(3) Amounts are net of tax expense of \$0.1 million, \$— million, \$— million and \$— million, respectively.

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)
For the 13-week periods ended January 30, 2021 and February 1, 2020
(In thousands)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total United Natural Foods, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balances at October 31, 2020	56,749	\$ 568	615	\$ (24,231)	\$ 572,170	\$ (225,722)	\$ 827,353	\$ 1,150,138	\$ (2,279)	\$ 1,147,859
Restricted stock vestings	5	—	—	—	(1,533)	—	—	(1,533)	—	(1,533)
Share-based compensation	—	—	—	—	10,687	—	—	10,687	—	10,687
Other comprehensive income	—	—	—	—	—	12,193	—	12,193	—	12,193
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(301)	(301)
Proceeds from issuance of common stock, net	9	—	—	—	136	—	—	136	—	136
Acquisition of noncontrolling interests	—	—	—	—	(364)	—	—	(364)	(176)	(540)
Net income	—	—	—	—	—	—	58,960	58,960	1,605	60,565
Balances at January 30, 2021	<u>56,763</u>	<u>\$ 568</u>	<u>615</u>	<u>\$ (24,231)</u>	<u>\$ 581,096</u>	<u>\$ (213,529)</u>	<u>\$ 886,313</u>	<u>\$ 1,230,217</u>	<u>\$ (1,151)</u>	<u>\$ 1,229,066</u>
Balances at November 2, 2019	54,121	\$ 541	615	\$ (24,231)	\$ 532,958	\$ (111,691)	\$ 722,350	\$ 1,119,927	\$ (3,316)	\$ 1,116,611
Restricted stock vestings	19	1	—	—	(54)	—	—	(53)	—	(53)
Share-based compensation	—	—	—	—	2,704	—	—	2,704	—	2,704
Other comprehensive income	—	—	—	—	—	3,271	—	3,271	—	3,271
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(300)	(300)
Proceeds from issuance of common stock, net	35	—	—	—	292	—	—	292	—	292
Net (loss) income	—	—	—	—	—	—	(30,710)	(30,710)	650	(30,060)
Balances at February 1, 2020	<u>54,175</u>	<u>\$ 542</u>	<u>615</u>	<u>\$ (24,231)</u>	<u>\$ 535,900</u>	<u>\$ (108,420)</u>	<u>\$ 691,640</u>	<u>\$ 1,095,431</u>	<u>\$ (2,966)</u>	<u>\$ 1,092,465</u>

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)
For the 26-week periods ended January 30, 2021 and February 1, 2020

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total United Natural Foods, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balances at August 1, 2020	55,306	\$ 553	615	\$ (24,231)	\$ 568,736	\$ (237,946)	\$ 837,633	\$ 1,144,745	\$ (2,487)	\$ 1,142,258
Cumulative effect of change in accounting principle	—	—	—	—	—	—	(9,237)	(9,237)	—	(9,237)
Restricted stock vestings	1,443	15	—	—	(10,412)	—	—	(10,397)	—	(10,397)
Share-based compensation	—	—	—	—	22,929	—	—	22,929	—	22,929
Other comprehensive income	—	—	—	—	—	24,417	—	24,417	—	24,417
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(1,460)	(1,460)
Proceeds from issuance of common stock, net	14	—	—	—	207	—	—	207	—	207
Acquisition of noncontrolling interests	—	—	—	—	(364)	—	—	(364)	(176)	(540)
Net income	—	—	—	—	—	—	57,917	57,917	2,972	60,889
Balances at January 30, 2021	<u>56,763</u>	<u>\$ 568</u>	<u>615</u>	<u>\$ (24,231)</u>	<u>\$ 581,096</u>	<u>\$ (213,529)</u>	<u>\$ 886,313</u>	<u>\$ 1,230,217</u>	<u>\$ (1,151)</u>	<u>\$ 1,229,066</u>
Balances at August 3, 2019	53,501	535	615	(24,231)	530,801	(108,953)	1,108,890	1,507,042	(2,737)	1,504,305
Cumulative effect of change in accounting principle	—	—	—	—	—	—	(2,613)	(2,613)	—	(2,613)
Restricted stock vestings	443	5	—	—	(877)	—	—	(872)	—	(872)
Share-based compensation	—	—	—	—	3,951	—	—	3,951	—	3,951
Other comprehensive income	—	—	—	—	—	533	—	533	—	533
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(1,398)	(1,398)
Proceeds from issuance of common stock, net	231	2	—	—	2,025	—	—	2,027	—	2,027
Net (loss) income	—	—	—	—	—	—	(414,637)	(414,637)	1,169	(413,468)
Balances at February 1, 2020	<u>54,175</u>	<u>\$ 542</u>	<u>615</u>	<u>\$ (24,231)</u>	<u>\$ 535,900</u>	<u>\$ (108,420)</u>	<u>\$ 691,640</u>	<u>\$ 1,095,431</u>	<u>\$ (2,966)</u>	<u>\$ 1,092,465</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

<i>(In thousands)</i>	26-Week Period Ended	
	January 30, 2021	February 1, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) including noncontrolling interests	\$ 60,889	\$ (413,468)
Income (loss) from discontinued operations, net of tax	5,099	(12,050)
Net income (loss) from continuing operations	55,790	(401,418)
Adjustments to reconcile net income (loss) from continuing operations to net cash used in operating activities:		
Depreciation and amortization	143,723	144,360
Share-based compensation	22,929	3,951
Loss on sale of assets	169	434
Closed property and other restructuring charges	3,496	23,586
Goodwill and asset impairment charges	—	425,405
Net pension and other postretirement benefit income	(34,136)	(14,633)
Deferred income tax benefit	(841)	(60,260)
LIFO charge	13,343	13,879
(Recoveries) provision for losses on receivables, net	(3,860)	45,503
Loss on debt extinguishment	29,494	73
Non-cash interest expense and other adjustments	9,562	7,393
Changes in operating assets and liabilities	(33,994)	(153,543)
Net cash provided by operating activities of continuing operations	205,675	34,730
Net cash provided by operating activities of discontinued operations	1,324	4,352
Net cash provided by operating activities	206,999	39,082
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(91,516)	(91,128)
Proceeds from dispositions of assets	39,908	12,330
Other	(97)	(1,472)
Net cash used in investing activities of continuing operations	(51,705)	(80,270)
Net cash provided by investing activities of discontinued operations	1,467	22,585
Net cash used in investing activities	(50,238)	(57,685)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings of long-term debt	500,000	2,050
Proceeds from borrowings under revolving credit line	2,666,239	2,269,989
Repayments of borrowings under revolving credit line	(2,537,951)	(2,162,821)
Repayments of long-term debt and finance leases	(768,983)	(93,326)
Proceeds from the issuance of common stock and exercise of stock options	207	2,027
Payment of employee restricted stock tax withholdings	(10,397)	(872)
Payments for debt issuance costs	(10,444)	—
Distributions to noncontrolling interests	(1,460)	(1,398)
Repayments of other loans	(163)	—
Other	(540)	—
Net cash (used in) provided by financing activities	(163,492)	15,649
EFFECT OF EXCHANGE RATE CHANGES ON CASH	265	19
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,466)	(2,935)
Cash and cash equivalents, at beginning of period	47,117	45,263
Cash and cash equivalents, at end of period	40,651	42,328
Less: cash and cash equivalents of discontinued operations	(155)	(133)
Cash and cash equivalents	\$ 40,496	\$ 42,195
<i>Supplemental disclosures of cash flow information:</i>		
Cash paid for interest	\$ 74,734	\$ 94,010
Cash payments (refunds) for federal and state income taxes, net	42,990	(24,376)
Leased assets obtained in exchange for new operating lease liabilities	116,725	121,455
Leased assets obtained in exchange for new finance lease liabilities	468	—
Capital expenditures included in accounts payable	\$ 31,309	\$ 20,193

See accompanying Notes to Condensed Consolidated Financial Statements.

UNITED NATURAL FOODS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

United Natural Foods, Inc. and its subsidiaries (the “Company”, “we”, “us”, “UNFI”, or “our”) is a leading distributor of natural, organic, specialty, produce and conventional grocery and non-food products, and provider of support services to retailers. The Company sells its products primarily throughout the United States and Canada.

Fiscal Year

The Company’s fiscal year ends on the Saturday closest to July 31 and contain either 52 or 53 weeks. References to the second quarter of fiscal 2021 and 2020 relate to the 13-week fiscal quarters ended January 30, 2021 and February 1, 2020, respectively. References to fiscal 2021 and 2020 year-to-date relate to the 26-week fiscal periods ended January 30, 2021 and February 1, 2020, respectively.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. Unless otherwise indicated, references to the Condensed Consolidated Statements of Operations, the Condensed Consolidated Balance Sheets and the Notes to the Condensed Consolidated Financial Statements exclude all amounts related to discontinued operations. Refer to Note 16—Discontinued Operations for additional information about the Company’s discontinued operations.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial information, including the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, certain information and note disclosures normally required in complete financial statements prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) have been condensed or omitted. In the Company’s opinion, these Condensed Consolidated Financial Statements include all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. However, the results of operations for interim periods may not be indicative of the results that may be expected for a full year. These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended August 1, 2020 (the “Annual Report”). There were no material changes in significant accounting policies from those described in the Company’s Annual Report.

Discontinued Operations

In the fourth quarter of fiscal 2020, the Company determined it no longer met the held for sale criterion for a probable sale to be completed within 12 months for the Cub Foods business and the majority of the remaining Shoppers locations excluding Shoppers locations that are held for sale within discontinued operations (collectively “Retail”). As a result, the Company revised its Condensed Consolidated Financial Statements to reclassify Retail from discontinued operations to continuing operations. This change in financial statement presentation resulted in the inclusion of Retail’s results of operations, financial position, cash flows and related disclosures within continuing operations. Prior periods presented in these Condensed Consolidated Financial Statements have been conformed to the current period presentation, resulting in Retail being presented in continuing operations for all periods. Retail was acquired as part of the SUPERVALU INC. (“Supervalu”) acquisition in the first quarter of fiscal 2019 on October 22, 2018.

Use of Estimates

The preparation of the Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less. The Company's banking arrangements allow it to fund outstanding checks when presented to the financial institution for payment. The Company funds all intraday bank balance overdrafts during the same business day. Checks outstanding in excess of bank balances create book overdrafts, which are recorded in Accounts payable in the Condensed Consolidated Balance Sheets and are reflected as an operating activity in the Condensed Consolidated Statements of Cash Flows. As of January 30, 2021 and August 1, 2020, the Company had net book overdrafts of \$268.6 million and \$267.8 million, respectively.

Reclassifications

Within the Condensed Consolidated Statements of Cash Flows certain immaterial amounts have been reclassified to conform with current year presentation. These reclassifications had no impact on reported net income, cash flows, or total assets and liabilities.

Inventories, Net

Inventories are valued at the lower of cost or market. Substantially all of the Company's inventories consist of finished goods and a substantial portion of its inventories have a last-in, first-out ("LIFO") reserve applied. Interim LIFO calculations are based on the Company's estimates of expected year end inventory levels and costs, as the actual valuation of inventory under the LIFO method is computed at the end of each fiscal year based on the inventory levels and costs at that time. If the first-in, first-out method had been used, Inventories, net would have been higher by approximately \$56.6 million and \$43.3 million at January 30, 2021 and August 1, 2020, respectively.

NOTE 2—RECENTLY ADOPTED AND ISSUED ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued accounting standards update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and subsequent amendments to the initial guidance*: ASU 2018-19, ASU 2019-04, ASU 2019-05, and ASU 2019-11 (collectively, "Topic 326"). Topic 326 changed the impairment model for most financial assets and certain other instruments. For trade and other receivables, guarantees and other instruments, entities are required to use a new forward-looking expected loss model that replaces the previous incurred loss model and generally results in earlier recognition of credit losses. The Company adopted this standard in the first quarter of fiscal 2021 on August 2, 2020, the effective and initial application date, using a modified-retrospective basis as required by the standard by means of a cumulative-effect adjustment to the opening balance of Retained earnings in the Company's Condensed Consolidated Statement of Stockholders' Equity. The difference between reserves and allowances recorded under the former incurred loss model and the amount determined under the current expected loss model, net of the deferred tax impact, was recorded as an adjustment to Retained earnings. Adoption of this standard did not have a material impact to the Company's Condensed Consolidated Financial Statements.

In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326 Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825*. This ASU clarifies the accounting treatment for the measurement of credit losses under ASC 326 and provides further clarification on previously issued updates including ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* and ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. Since the Company adopted ASU 2017-12 in the fourth quarter of fiscal 2018, the amendments in ASU 2019-04 related to clarifications on Accounting for Hedging Activities, which were adopted by the Company in the first quarter of fiscal 2020, with no impact to Accumulated other comprehensive loss or Retained earnings for fiscal 2020, as the Company did not have separately measured ineffectiveness related to its cash flow hedges. The remaining amendments within ASU 2019-04 were adopted in the first quarter of fiscal 2021 with the adoption of Topic 326. Adoption of this standard did not have a material impact on the Company's Condensed Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. ASU 2018-05 requires implementation costs incurred by customers in cloud computing arrangements (i.e. hosting arrangements) to be capitalized under the same premises as authoritative guidance for internal-use software, and deferred over the noncancellable term of the cloud computing arrangements plus any optional renewal periods that are reasonably certain to be exercised by the customer or for which the exercise is controlled by the service provider. The Company adopted this standard on a prospective basis in the first quarter of fiscal 2021. The Company expects to incur immaterial implementation costs in fiscal 2021. Under this standard, the Company is required to defer these costs and recognize these costs as a service expense over future periods. Adoption of this standard did not have a material impact on the Company's Condensed Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*. ASU 2018-14 eliminates requirements for certain disclosures and requires additional disclosures under defined benefit pension plans and other postretirement plans. The Company adopted this guidance in the first quarter of fiscal 2021. The provisions of the new standard do not have any effect on the Company's interim financial statements but will require additional disclosures in its annual consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. ASU 2019-12 eliminates certain exceptions to Topic 740's general principles. The amendments also improve consistent application and simplifies its application. The Company is required to adopt this guidance in the first quarter of fiscal 2022. The Company is currently reviewing the provisions of the new standard and evaluating its impact on the Company's consolidated financial statements.

NOTE 3—REVENUE RECOGNITION

Disaggregation of Revenues

The Company records revenue to five customer channels within Net sales, which are described below:

- *Chains*, which consists of customer accounts that typically have more than 10 operating stores and exclude stores included within the Supernatural and Other channels defined below;
- *Independent retailers*, which include smaller size accounts and include single store and multiple store locations, but are not classified within Chains above or Other discussed below;
- *Supernatural*, which consists of chain accounts that are national in scope and carry primarily natural products, and currently consists solely of Whole Foods Market;
- *Retail*, which reflects our Retail segment, including the Cub Foods business and the remaining Shoppers locations, excluding Shoppers locations that are held for sale within discontinued operations; and
- *Other*, which includes international customers outside of Canada, foodservice, eCommerce, conventional military business and other sales.

The following tables detail the Company's net sales for the periods presented by customer channel for each of its segments. The Company does not record its revenues within its Wholesale reportable segment for financial reporting purposes by product group, and it is therefore impracticable for it to report them accordingly.

Net Sales for the 13-Week Period Ended

<i>(in millions)</i>					
January 30, 2021					
Customer Channel	Wholesale	Retail	Other	Eliminations⁽²⁾	Consolidated
Chains	\$ 3,097	\$ —	\$ —	\$ —	\$ 3,097
Independent retailers	1,701	—	—	—	1,701
Supernatural	1,298	—	—	—	1,298
Retail	—	621	—	—	621
Other	513	—	55	—	568
Eliminations	—	—	—	(397)	(397)
Total	\$ 6,609	\$ 621	\$ 55	\$ (397)	\$ 6,888

Net Sales for the 13-Week Period Ended

<i>(in millions)</i>					
February 1, 2020⁽¹⁾					
Customer Channel	Wholesale	Retail	Other	Eliminations⁽²⁾	Consolidated
Chains	\$ 2,909	\$ —	\$ —	\$ —	\$ 2,909
Independent retailers	1,561	—	—	—	1,561
Supernatural	1,211	—	—	—	1,211
Retail	—	539	—	—	539
Other	525	—	41	—	566
Eliminations	—	—	—	(355)	(355)
Total	\$ 6,206	\$ 539	\$ 41	\$ (355)	\$ 6,431

Net Sales for the 26-Week Period Ended

<i>(in millions)</i>					
January 30, 2021					
Customer Channel	Wholesale	Retail	Other	Eliminations⁽²⁾	Consolidated
Chains	\$ 6,117	\$ —	\$ —	\$ —	\$ 6,117
Independent retailers	3,373	—	—	—	3,373
Supernatural	2,512	—	—	—	2,512
Retail	—	1,216	—	—	1,216
Other	1,038	—	111	—	1,149
Eliminations	—	—	—	(806)	(806)
Total	\$ 13,040	\$ 1,216	\$ 111	\$ (806)	\$ 13,561

Net Sales for the 26-Week Period Ended

<i>(in millions)</i>					
February 1, 2020⁽¹⁾					
Customer Channel	Wholesale	Retail	Other	Eliminations⁽²⁾	Consolidated
Chains	\$ 5,784	\$ —	\$ —	\$ —	\$ 5,784
Independent retailers	3,118	—	—	—	3,118
Supernatural	2,322	—	—	—	2,322
Retail	—	1,054	—	—	1,054
Other	1,050	—	106	—	1,156
Eliminations	—	—	—	(706)	(706)
Total	\$ 12,274	\$ 1,054	\$ 106	\$ (706)	\$ 12,728

- (1) In the first quarter of fiscal 2021, the presentation of net sales by customer channel was recast to present the Chains and Other channel exclusive of the intercompany eliminations and present total eliminations separately. There was no impact to the Condensed Consolidated Statements of Operations. The Company believes this modified basis better reflects its channel presentation, as it further aligns with segment presentation and how sales channel information would appear following the potential disposition of Retail, assuming all banners retain a supply agreement. In addition, during the fourth quarter of fiscal 2020, the presentation of net sales by customer channel was recast to be presented on a basis consistent with customer size. International customers other than Canada, and alternative format sales continue to be classified within Other. The main effect of the change was to re-categorize the former Supermarkets and Independents channels, previously classified by the majority of product carried by those customers between conventional and natural products, respectively, to classify those stores by the number of customer locations we supply. There was no impact to the Condensed Consolidated Statements of Operations as a result of the reclassification of customer types. The Company believes this modified basis better reflects the nature and economic risks of cash flows from customers.
- (2) Eliminations primarily includes the net sales elimination of Wholesale's sales to the Retail segment and the elimination of sales from segments included within Other to Wholesale.

The Company serves customers in the United States and Canada, as well as customers located in other countries. However, all of the Company's revenue is earned in the U.S. and Canada, and international distribution occurs through freight-forwarders. The Company does not have any performance obligations on international shipments subsequent to delivery to the domestic port.

No net sales were recorded within continuing operations for retail stores within discontinued operations that the Company disposed of and expects to dispose of without a supply agreement. These net sales have been eliminated upon consolidation within the Wholesale segment of continuing operations and amounted to \$13.4 million and \$36.1 million in the second quarters of fiscal 2021 and 2020, respectively, and \$27.8 million and \$92.1 million in fiscal 2021 and 2020 year-to-date, respectively.

Accounts and Notes Receivable Balances

Accounts and notes receivable are as follows:

<i>(in thousands)</i>	January 30, 2021	August 1, 2020
Customer accounts receivable	\$ 1,176,126	\$ 1,156,694
Allowance for uncollectible receivables	(56,356)	(55,928)
Other receivables, net	16,365	19,433
Accounts receivable, net	<u>\$ 1,136,135</u>	<u>\$ 1,120,199</u>
Notes receivable, net, included within Prepaid expenses and other current assets	\$ 13,023	\$ 49,268
Long-term notes receivable, net, included within Other assets	\$ 19,101	\$ 25,800

NOTE 4—RESTRUCTURING, ACQUISITION AND INTEGRATION RELATED EXPENSES

Restructuring, acquisition and integration related expenses incurred were as follows:

<i>(in thousands)</i>	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
2019 SUPERVALU INC. restructuring expenses	\$ —	\$ 664	\$ —	\$ 2,501
Restructuring and integration costs	14,682	15,411	29,442	24,705
Closed property charges and costs	3,101	20,447	4,769	23,988
Total	<u>\$ 17,783</u>	<u>\$ 36,522</u>	<u>\$ 34,211</u>	<u>\$ 51,194</u>

NOTE 5—GOODWILL AND INTANGIBLE ASSETS, NET

The Company has five goodwill reporting units: two of which represent separate operating segments and are aggregated within the Wholesale reportable segment (U.S. Wholesale and Canada Wholesale); one separate Retail operating and reportable segment and two of which are separate operating segments (Woodstock Farms and Blue Marble Brands) that do not meet the criteria for being disclosed as separate reportable segments. The Canada Wholesale operating segment, which is aggregated with U.S. Wholesale, would not meet the quantitative thresholds for separate reporting if it did not meet the aggregation criteria.

Fiscal 2020 Goodwill Impairment Review

During the first quarter of fiscal 2020, the Company changed its management structure and internal financial reporting, which resulted in the requirement to combine the Supervalu Wholesale reporting unit and the legacy Company Wholesale reporting unit into one U.S. Wholesale reporting unit, and experienced a further sustained decline in market capitalization and enterprise value. As a result of the change in reporting units and the sustained decline in market capitalization and enterprise value, the Company performed an interim quantitative impairment review of goodwill for the Wholesale reporting unit, which included a determination of the fair value of all reporting units.

The Company estimated the fair values of all reporting units using both the market approach, applying a multiple of earnings based on observable multiples for guideline publicly traded companies, and the income approach, discounting projected future cash flows based on management's expectations of the current and future operating environment for each reporting unit. The calculation of the impairment charge includes substantial fact-based determinations and estimates including weighted average cost of capital, future revenue, profitability, cash flows and fair values of assets and liabilities. The rates used to discount projected future cash flows under the income approach reflect a weighted average cost of capital of 8.5%, which considered observable data about guideline publicly traded companies, an estimated market participant's expectations about capital structure and risk premiums, including those reflected in the Company's market capitalization. The Company corroborated the reasonableness of the estimated reporting unit fair values by reconciling to its enterprise value and market capitalization. Based on this analysis, the Company determined that the carrying value of its U.S. Wholesale reporting unit exceeded its fair value by an amount that exceeded its assigned goodwill. As a result, the Company recorded a goodwill impairment charge of \$421.5 million in the first quarter of fiscal 2020. The goodwill impairment charge is reflected in Goodwill and asset impairment charges in the Condensed Consolidated Statements of Operations. The goodwill impairment charge reflects the impairment of all of the U.S. Wholesale reporting unit's goodwill.

Goodwill and Intangible Assets Changes

Changes in the carrying value of Goodwill by reportable segment that have goodwill consisted of the following:

<i>(in thousands)</i>	Wholesale	Other	Total
Goodwill as of August 1, 2020	\$ 9,747 ⁽¹⁾	\$ 9,860 ⁽²⁾	\$ 19,607
Change in foreign exchange rates	477	—	477
Goodwill as of January 30, 2021	<u>\$ 10,224 ⁽¹⁾</u>	<u>\$ 9,860 ⁽²⁾</u>	<u>\$ 20,084</u>

(1) Amounts are net of accumulated goodwill impairment charges of \$716.5 million as of August 1, 2020 and January 30, 2021.

(2) Amounts are net of accumulated goodwill impairment charges of \$9.6 million as of August 1, 2020 and January 30, 2021.

Identifiable intangible assets, net consisted of the following:

<i>(in thousands)</i>	January 30, 2021			August 1, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortizing intangible assets:						
Customer relationships	\$ 1,007,695	\$ 203,748	\$ 803,947	\$ 1,007,118	\$ 172,832	\$ 834,286
Pharmacy prescription files	32,900	10,597	22,303	32,900	7,964	24,936
Non-compete agreements	1,200	1,145	55	12,900	11,500	1,400
Operating lease intangibles	8,193	4,818	3,375	8,193	4,020	4,173
Trademarks and tradenames	83,700	41,140	42,560	83,700	34,708	48,992
Total amortizing intangible assets	<u>1,133,688</u>	<u>261,448</u>	<u>872,240</u>	<u>1,144,811</u>	<u>231,024</u>	<u>913,787</u>
Indefinite lived intangible assets:						
Trademarks and tradenames	55,813	—	55,813	55,813	—	55,813
Intangible assets, net	<u>\$ 1,189,501</u>	<u>\$ 261,448</u>	<u>\$ 928,053</u>	<u>\$ 1,200,624</u>	<u>\$ 231,024</u>	<u>\$ 969,600</u>

Amortization expense was \$18.6 million and \$21.5 million for the second quarters of fiscal 2021 and 2020, respectively, and \$41.6 million and \$43.6 million for fiscal 2021 and 2020 year-to-date, respectively. The estimated future amortization expense

for each of the next five fiscal years and thereafter on definite lived intangible assets existing as of January 30, 2021 is shown below:

Fiscal Year:	(In thousands)
Remaining fiscal 2021	\$ 36,650
2022	72,170
2023	71,950
2024	72,404
2025	70,308
2026 and thereafter	548,758
	<u>\$ 872,240</u>

NOTE 6—FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Recurring Fair Value Measurements

The following tables provides the fair value hierarchy for financial assets and liabilities measured on a recurring basis:

<i>(in thousands)</i>	Condensed Consolidated Balance Sheets Location	Fair Value at January 30, 2021		
		Level 1	Level 2	Level 3
Assets:				
Foreign currency derivatives designated as hedging instruments	Prepaid expenses and other current assets	\$ —	\$ 63	\$ —
Fuel derivatives designated as hedging instruments	Prepaid expenses and other current assets	\$ —	\$ 680	\$ —
Mutual funds	Other long-term assets	\$ 1,592	\$ —	\$ —
Liabilities:				
Foreign currency derivatives not designated as hedging instruments	Accrued expenses and other current liabilities	\$ —	\$ 3	\$ —
Fuel derivatives designated as hedging instruments	Accrued expenses and other current liabilities	\$ —	\$ 1	\$ —
Foreign currency derivatives designated as hedging instruments	Accrued expenses and other current liabilities	\$ —	\$ 774	\$ —
Interest rate swaps designated as hedging instruments	Accrued expenses and other current liabilities	\$ —	\$ 34,779	\$ —
Interest rate swaps designated as hedging instruments	Other long-term liabilities	\$ —	\$ 66,374	\$ —

(in thousands)	Condensed Consolidated Balance Sheets Location	Fair Value at August 1, 2020		
		Level 1	Level 2	Level 3
Assets:				
Foreign currency derivatives not designated as hedging instruments	Prepaid expenses and other current assets	\$ —	\$ 26	\$ —
Fuel derivatives designated as hedging instruments	Prepaid expenses and other current assets	\$ —	\$ 36	\$ —
Foreign currency derivatives designated as hedging instruments	Prepaid expenses and other current assets	\$ —	\$ 94	\$ —
Fuel derivatives designated as hedging instruments	Other long-term assets	\$ —	\$ 23	\$ —
Mutual funds	Other long-term assets	\$ 1,678	\$ —	\$ —
Liabilities:				
Fuel derivatives designated as hedging instruments	Accrued expenses and other current liabilities	\$ —	\$ 197	\$ —
Foreign currency derivatives designated as hedging instruments	Accrued expenses and other current liabilities	\$ —	\$ 357	\$ —
Interest rate swaps designated as hedging instruments	Accrued expenses and other current liabilities	\$ —	\$ 46,743	\$ —
Interest rate swaps designated as hedging instruments	Other long-term liabilities	\$ —	\$ 91,994	\$ —

Interest Rate Swap Contracts

The fair values of interest rate swap contracts are measured using Level 2 inputs. The interest rate swap contracts are valued using an income approach interest rate swap valuation model incorporating observable market inputs including interest rates, LIBOR swap rates and credit default swap rates. As of January 30, 2021, a 100 basis point increase in forward LIBOR interest rates would decrease the fair value of the interest rate swap liabilities by approximately \$40.6 million; a 100 basis point decrease in forward LIBOR interest rates would increase the fair value of the interest rate swap liabilities by approximately \$42.2 million. Refer to Note 7—Derivatives for further information on interest rate swap contracts.

Mutual Funds

Mutual fund assets consist of balances held in investments to fund certain deferred compensation plans. The fair values of mutual fund assets are based on quoted market prices of the mutual funds held by the plan at each reporting period. Mutual funds traded in active markets are classified within Level 1 of the fair value hierarchy.

Fuel Supply Agreements and Derivatives

To reduce diesel price risk, the Company has entered into derivative financial instruments and/or forward purchase commitments for a portion of our projected monthly diesel fuel requirements at fixed prices. The fair values of fuel derivative agreements are measured using Level 2 inputs.

Foreign Exchange Derivatives

To reduce foreign exchange risk, the Company has entered into derivative financial instruments for a portion of our projected monthly foreign currency requirements at fixed prices. The fair values of foreign exchange derivatives are measured using Level 2 inputs.

Fair Value Estimates

For certain of the Company's financial instruments including cash and cash equivalents, receivables, accounts payable, accrued vacation, compensation and benefits, and other current assets and liabilities the fair values approximate carrying amounts due to their short maturities. The fair value of notes receivable is estimated by using a discounted cash flow approach prior to consideration for uncollectible amounts and is calculated by applying a market rate for similar instruments using Level 3 inputs. The fair value of debt is estimated based on market quotes, where available, or market values for similar instruments, using Level 2 and 3 inputs. In the table below, the carrying value of the Company's long-term debt is net of original issue discounts and debt issuance costs.

(In thousands)	January 30, 2021		August 1, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Notes receivable, including current portion	\$ 41,264	\$ 40,655	\$ 77,598	\$ 78,877
Long-term debt, including current portion	\$ 2,387,241	\$ 2,474,902	\$ 2,497,626	\$ 2,535,851

NOTE 7—DERIVATIVES

Management of Interest Rate Risk

The Company enters into interest rate swap contracts from time to time to mitigate its exposure to changes in market interest rates as part of its overall strategy to manage its debt portfolio to achieve an overall desired position of notional debt amounts subject to fixed and floating interest rates. Interest rate swap contracts are entered into for periods consistent with related underlying exposures and do not constitute positions independent of those exposures. The Company's interest rate swap contracts are designated as cash flow hedges at January 30, 2021. Interest rate swap contracts are reflected at their fair values in the Condensed Consolidated Balance Sheets. Refer to Note 6—Fair Value Measurements of Financial Instruments for further information on the fair value of interest rate swap contracts.

Details of active swap contracts as of January 30, 2021, which are all pay fixed and receive floating, are as follows:

Effective Date	Swap Maturity	Notional Value (in millions)	Pay Fixed Rate	Receive Floating Rate ⁽²⁾	Floating Rate Reset Terms
March 21, 2019	April 15, 2022	\$ 100.0	2.3645 %	One-Month LIBOR	Monthly
April 2, 2019	June 30, 2022	100.0	2.2170 %	One-Month LIBOR	Monthly
June 28, 2019	June 30, 2022	50.0	2.1840 %	One-Month LIBOR	Monthly
August 3, 2015 ⁽¹⁾	August 15, 2022	35.0	1.7950 %	One-Month LIBOR	Monthly
October 26, 2018	October 31, 2022	100.0	2.8915 %	One-Month LIBOR	Monthly
January 11, 2019	October 31, 2022	50.0	2.4678 %	One-Month LIBOR	Monthly
January 23, 2019	October 31, 2022	50.0	2.5255 %	One-Month LIBOR	Monthly
November 16, 2018	March 31, 2023	150.0	2.8950 %	One-Month LIBOR	Monthly
January 23, 2019	March 31, 2023	50.0	2.5292 %	One-Month LIBOR	Monthly
November 30, 2018	September 30, 2023	50.0	2.8315 %	One-Month LIBOR	Monthly
October 26, 2018	October 31, 2023	100.0	2.9210 %	One-Month LIBOR	Monthly
January 11, 2019	March 28, 2024	100.0	2.4770 %	One-Month LIBOR	Monthly
January 23, 2019	March 28, 2024	100.0	2.5420 %	One-Month LIBOR	Monthly
November 30, 2018	October 31, 2024	100.0	2.8480 %	One-Month LIBOR	Monthly
January 11, 2019	October 31, 2024	100.0	2.5010 %	One-Month LIBOR	Monthly
January 24, 2019	October 31, 2024	50.0	2.5210 %	One-Month LIBOR	Monthly
October 26, 2018	October 22, 2025	50.0	2.9550 %	One-Month LIBOR	Monthly
November 16, 2018	October 22, 2025	50.0	2.9590 %	One-Month LIBOR	Monthly
November 16, 2018	October 22, 2025	50.0	2.9580 %	One-Month LIBOR	Monthly
January 24, 2019	October 22, 2025	50.0	2.5558 %	One-Month LIBOR	Monthly
		<u>\$ 1,485.0</u>			

(1) The swap contract has an amortizing notional principal amount which is reduced by \$1.0 million on a quarterly basis.

(2) For these swap contracts that are indexed to LIBOR, the Company is monitoring and evaluating risks related to the expected future cessation of LIBOR.

In the first quarter of fiscal 2021, in conjunction with the \$500.0 million fixed rate senior unsecured notes offering described below in Note 8—Long-Term Debt, the Company paid \$11.3 million to terminate or novate certain outstanding interest rate swaps with a notional amount of \$504.0 million and certain forward starting interest rate swaps with a notional amount of \$450.0 million. The payments equaled the fair value of the interest rate swaps at the time of their termination or novation. No gain or loss was recorded as a result of the swap termination and novations. Since the hedged interest payments remain probable of occurring, the unrecognized gains and losses resulting from the early termination and novation of these interest rate swap agreements will be amortized out of Accumulated other comprehensive income and into Interest expense, net over the remaining period of the original terminated or novated interest rate swap agreements. If any of the hedged interest payments were not probable of occurring, then a charge representing an accelerated amortization of the unrecognized gains and losses would be recorded. Cash payments resulting from the termination and novation of interest rate swaps are classified as operating activities in the Company’s Condensed Consolidated Statements of Cash Flows.

The Company performs an initial quantitative assessment of hedge effectiveness using the “Hypothetical Derivative Method” in the period in which the hedging transaction is entered. Under this method, the Company assesses the effectiveness of each hedging relationship by comparing the changes in cash flows of the derivative hedging instrument with the changes in cash flows of the designated hedged transactions. In future reporting periods, the Company performs a qualitative analysis for quarterly prospective and retrospective assessments of hedge effectiveness. The Company also monitors the risk of counterparty default on an ongoing basis and noted that the counterparties are reputable financial institutions. The entire change in the fair value of the derivative is initially reported in Other comprehensive income (outside of earnings) in the Condensed Consolidated Statements of Comprehensive Income (Loss) and subsequently reclassified to earnings in Interest expense, net in the Condensed Consolidated Statements of Operations when the hedged transactions affect earnings.

The location and amount of gains or losses recognized in the Condensed Consolidated Statements of Operations for interest rate swap contracts for each of the periods, presented on a pretax basis, are as follows:

	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
	Interest expense, net		Interest expense, net	
<i>(In thousands)</i>				
Total amounts of expense line items presented in the Condensed Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	\$ 50,944	\$ 48,836	\$ 120,077	\$ 98,545
Loss on cash flow hedging relationships:				
Loss reclassified from comprehensive income into earnings	\$ (9,303)	\$ (4,251)	\$ (20,563)	\$ (6,621)
Loss on interest rate swap contracts not designated as hedging instruments:				
Loss recognized in earnings	\$ (2,195)	\$ —	\$ (2,971)	\$ —

NOTE 8—LONG-TERM DEBT

The Company's long-term debt consisted of the following:

<i>(in thousands)</i>	Average Interest Rate at January 30, 2021	Fiscal Maturity Year	January 30, 2021	August 1, 2020
Term Loan Facility	4.37%	2026	\$ 1,015,000	\$ 1,773,000
ABL Credit Facility	1.52%	2024	885,000	756,712
Senior Notes	6.75%	2029	500,000	—
Other secured loans	5.18%	2024-2025	42,966	49,268
Debt issuance costs, net			(37,128)	(45,846)
Original issue discount on debt			(18,597)	(35,508)
Long-term debt, including current portion			2,387,241	2,497,626
Less: current portion of long-term debt			(12,991)	(70,632)
Long-term debt			<u>\$ 2,374,250</u>	<u>\$ 2,426,994</u>

Refinancing Activities

Subsequent to the end of the second quarter of fiscal 2021, on February 11, 2021, the Company entered into an amendment agreement (the "First Term Loan Amendment") amending the Term Loan Agreement (as defined below). The amendment provides for, among other things, (i) the reduction of the applicable margin for LIBOR loans from 4.25% to 3.50% and the applicable margin for base rate loans from 3.25% to 2.50%, (ii) the appointment of a replacement administrative and collateral agent, and (iii) other administrative changes. The amendment did not change the aggregate amount or maturity date of the Term Loan Facility.

During the second quarter of fiscal 2021, the Company made a voluntary prepayment of \$150.0 million on the Term Loan Facility (as defined below) funded with incremental borrowings under the ABL Credit Facility (as defined below) that reduces its interest costs. This prepayment will count towards any requirement from Excess Cash Flow (as defined in the Term Loan Agreement) generated during fiscal 2021, which would be due in fiscal 2022. In connection with this prepayment, the Company incurred a loss on debt extinguishment of \$5.7 million related to unamortized debt issuance costs and a loss on unamortized original issue discount, which were recorded within Interest expense, net in the Condensed Consolidated Statements of Operations in the second quarter of fiscal 2021.

During the first quarter of fiscal 2021, the Company repaid \$500.0 million of outstanding borrowings under the Term Loan Facility funded primarily by the net proceeds from the issuance of new eight-year senior unsecured notes (as described below). This refinancing transaction extended the maturity of a significant portion of the Company's outstanding debt by approximately three years. Also during the first quarter, the Company made \$108.0 million of additional repayments under the Term Loan Facility, including \$72.0 million related to the material cash flow generation in fiscal 2020, as required under the Term Loan Agreement (as described below) and a voluntary prepayment of \$36.0 million with incremental borrowings under the ABL Credit Facility (as described below). In connection with the prepayments, the Company incurred a loss on debt extinguishment related to unamortized debt issuance costs and a loss on unamortized original issue discount of \$12.0 million and \$11.8 million, respectively, which were recorded within Interest expense, net in the Condensed Consolidated Statements of Operations in the first quarter of fiscal 2021. The Company also executed a third amendment to the ABL Loan Agreement (as defined below) during the first quarter of fiscal 2021, which added certain assets to the Borrowing Base (as defined below) and increased the Company's capacity to issue letters of credit under the facility, in addition to other administrative changes. The amendment did not change the aggregate amount or maturity date of the ABL Credit Facility.

Senior Notes

On October 22, 2020, the Company issued \$500.0 million of unsecured 6.750% Senior Notes due October 15, 2028 (the "Senior Notes"). The Senior Notes are guaranteed by each of the Company's subsidiaries that are borrowers under or that guarantee the ABL Credit Facility or the Term Loan Facility. The net proceeds from the offering of the Senior Notes, together with borrowings under the ABL Credit Facility, were used to repay \$500.0 million of the amounts outstanding under the Term B Tranche of the Term Loan Facility and for the payment of all financing costs related to the offering of the Senior Notes. Financing costs of \$8.9 million were paid and capitalized in fiscal 2021 year-to-date.

The Senior Notes contain covenants customary for debt securities of this type that limit the ability of the Company and its restricted subsidiaries to, among other things, incur debt, declare or pay dividends or make other distributions to stockholders of the Company, transfer or sell assets, create liens on our assets, engage in transactions with affiliates, and merge, consolidate or sell all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis. The Company is in compliance with all such covenants for all periods presented.

ABL Credit Facility

On August 30, 2018, the Company entered into a loan agreement (as amended from time to time, the “ABL Loan Agreement”), by and among the Company and United Natural Foods West, Inc. (together with the Company, the “U.S. Borrowers”) and UNFI Canada, Inc. (the “Canadian Borrower” and, together with the U.S. Borrowers, the “Borrowers”), the financial institutions that are parties thereto as lenders (collectively, the “ABL Lenders”), Bank of America, N.A. as administrative agent for the ABL Lenders (the “ABL Administrative Agent”), Bank of America, N.A. (acting through its Canada branch), as Canadian agent for the ABL Lenders, and the other parties thereto.

During the first quarter of fiscal 2021, on August 14, 2020, the Company entered into the Third Amendment to Loan Agreement, which provides for, among other things, (i) the addition of certain perishable inventory to the calculation of the Borrowing Base (as defined in the ABL Loan Agreement), (ii) the addition of income attributable to the business associated with the Cub Foods banner and the Shoppers banner accounted for within discontinued operations (if any) to the definition of Consolidated Net Income (as defined in the ABL Loan Agreement), (iii) an increase of the sublimit of availability for letters of credit to \$300 million which includes an increased further sublimit for the Canadian Borrower of \$25 million, and (iv) other administrative changes.

The ABL Loan Agreement provides for a secured asset-based revolving credit facility (the “ABL Credit Facility” and the loans thereunder, the “ABL Loans”), of which up to (i) \$2,050.0 million is available to the U.S. Borrowers and (ii) \$50.0 million is available to the Canadian Borrower. The ABL Loan Agreement also provides for (i) a \$300.0 million sublimit of availability for letters of credit of which there is a further \$25.0 million sublimit for the Canadian Borrower and (ii) a \$100.0 million sublimit for short-term borrowings on a swingline basis of which there is a further \$3.5 million sublimit for the Canadian Borrower. The ABL Credit Facility replaced the Company’s \$900.0 million prior asset-based revolving credit facility.

Under the ABL Loan Agreement, the Borrowers may, at their option, increase the aggregate amount of the ABL Credit Facility in an amount of up to \$600.0 million without the consent of any ABL Lenders not participating in such increase, subject to certain customary conditions and applicable lenders committing to provide the increase in funding. There is no assurance that additional funding would be available.

The Borrowers’ obligations under the ABL Credit Facility are guaranteed by most of the Company’s wholly-owned subsidiaries who are not also Borrowers (collectively, the “ABL Guarantors”), subject to customary exceptions and limitations. The Borrowers’ obligations under the ABL Credit Facility and the ABL Guarantors’ obligations under the related guarantees are secured by (i) a first-priority lien on all of the Borrowers’ and ABL Guarantors’ accounts receivable, inventory and certain other assets arising therefrom or related thereto (including substantially all of their deposit accounts, collectively, the “ABL Assets”) and (ii) a second-priority lien on all of the Borrowers’ and ABL Guarantors’ assets that do not constitute ABL Assets, in each case, subject to customary exceptions and limitations.

Availability under the ABL Credit Facility is subject to a borrowing base (the “Borrowing Base”), which is based on 90% of eligible accounts receivable, plus 90% of eligible credit card receivables, plus 90% of the net orderly liquidation value of eligible inventory, plus 90% of eligible pharmacy receivables, plus certain pharmacy scripts availability of the Borrowers, after adjusting for customary reserves. The aggregate amount of the ABL Loans made and letters of credit issued under the ABL Credit Facility shall at no time exceed the lesser of the aggregate commitments under the ABL Credit Facility (currently \$2,100.0 million or, if increased at the Borrowers’ option as described above, up to \$2,700.0 million) or the Borrowing Base. To the extent that the Borrowers’ Borrowing Base declines, the availability under the ABL Credit Facility may decrease below \$2,100.0 million.

As of January 30, 2021, the U.S. Borrowers' Borrowing Base, net of \$208.0 million of reserves, was \$2,216.1 million, which is above the \$2,050.0 million limit of availability to the U.S. Borrowers under the ABL Credit Facility. As of January 30, 2021, the Canadian Borrower's Borrowing Base, net of \$4.2 million of reserves, was \$48.6 million, which is below the \$50.0 million limit of availability to the Canadian Borrower under the ABL Credit facility, resulting in total availability of \$2,098.6 million for ABL Loans and letters of credit under the ABL Credit Facility. As of January 30, 2021, the U.S. Borrowers had \$885.0 million of ABL Loans outstanding and the Canadian Borrower had no ABL Loans outstanding under the ABL Credit Facility, which are presented net of debt issuance costs of \$9.7 million and are included in Long-term debt in the Condensed Consolidated Balance Sheets. As of January 30, 2021, the U.S. Borrowers had \$95.8 million in letters of credit and the Canadian Borrower had no letters of credit outstanding under the ABL Credit Facility. The Company's resulting remaining availability under the ABL Credit Facility was \$1,117.8 million as of January 30, 2021.

The ABL Loans of the U.S. Borrowers under the ABL Credit Facility bear interest at rates that, at the U.S. Borrowers' option, can be either: (i) a base rate and an applicable margin or (ii) a LIBOR rate and an applicable margin. As of January 30, 2021, the applicable margin for base rate loans was 0.25% and the applicable margin for LIBOR loans was 1.25%. The ABL Loan Agreement contains provisions for the establishment of an alternative rate of interest in the event that LIBOR is no longer available. The ABL Loans of the Canadian Borrower under the ABL Credit Facility bear interest at rates that, at the Canadian Borrower's option, can be either: (i) prime rate and an applicable margin or (ii) a Canadian dollar bankers' acceptance equivalent rate and an applicable margin. As of January 30, 2021, the applicable margin for prime rate loans was 0.25%, and the applicable margin for Canadian dollar bankers' acceptance equivalent rate loans was 1.25%. Commencing on the first day of the calendar month following the ABL Administrative Agent's receipt of the Company's aggregate availability calculation for the prior fiscal quarter, the applicable margins for borrowings by the U.S. Borrowers and Canadian Borrower will be subject to adjustment based upon the aggregate availability under the ABL Credit Facility. Unutilized commitments under the ABL Credit Facility are subject to a per annum fee of (i) 0.375% if the average daily total outstandings were less than 25% of the aggregate commitments during the preceding fiscal quarter or (ii) 0.25% if such average daily total outstandings were 25% or more of the aggregate commitments during the preceding fiscal quarter. As of January 30, 2021, the unutilized commitment fee was 0.25% per annum. The Borrowers are also required to pay a letter of credit fronting fee to each letter of credit issuer equal to 0.125% per annum of the amount available to be drawn under each such letter of credit, as well as a fee to all lenders equal to the applicable margin for LIBOR or Canadian dollar bankers' acceptance equivalent rate loans, as applicable, times the average daily amount available to be drawn under all outstanding letters of credit.

The ABL Loan Agreement subjects the Company to a fixed charge coverage ratio (as defined in the ABL Loan Agreement) of at least 1.0 to 1.0 calculated at the end of each fiscal quarter on a rolling four quarter basis when the adjusted aggregate availability (as defined in the ABL Loan Agreement) is less than the greater of (i) \$235.0 million and (ii) 10% of the aggregate borrowing base. The Company has not been subject to the fixed charge coverage ratio covenant under the ABL Loan Agreement, including through the filing date of this Quarterly Report.

The assets included in the Condensed Consolidated Balance Sheets securing the outstanding obligations under the ABL Credit Facility on a first-priority basis, and the unused credit and fees under the ABL Credit Facility, were as follows:

Assets securing the ABL Credit Facility (in thousands)⁽¹⁾:	January 30, 2021	August 1, 2020
Certain inventory assets included in Inventories, net and Current assets of discontinued operations	\$ 2,261,209	\$ 2,270,892
Certain receivables included in Accounts receivable, net and Current assets of discontinued operations	\$ 1,104,388	\$ 1,077,682

(1) The ABL Credit Facility is also secured by all of the Company's pharmacy scripts, which are included in Intangibles, net in the Condensed Consolidated Balance Sheets as of January 30, 2021 and August 1, 2020.

Unused credit and fees under the ABL Credit Facility (in thousands, except percentages):	January 30, 2021
Outstanding letters of credit	\$ 95,789
Letter of credit fees	1.375 %
Unused credit	\$ 1,117,774
Unused facility fees	0.25 %

The ABL Loan Agreement contains other customary affirmative and negative covenants and customary representations and warranties that must be accurate in order for the Borrowers to borrow under the ABL Credit Facility. The ABL Loan Agreement also contains customary events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the ABL Credit Facility to be in full force and effect, and a change of control. If an event of default occurs and is continuing, the Borrowers may be required to immediately repay all amounts outstanding under the ABL Loan Agreement.

Term Loan Facility

On the Supervalu acquisition date (“Closing Date”), the Company entered into a new term loan agreement (the “Term Loan Agreement”), by and among the Company and Supervalu (collectively, the “Term Borrowers”), the financial institutions that are parties thereto as lenders (collectively, the “Term Lenders”), Goldman Sachs Bank USA, as administrative agent for the Lenders, and the other parties thereto. The Term Loan Agreement provides for senior secured first lien term loans in an aggregate principal amount of \$1,950.0 million, consisting of a \$1,800.0 million seven-year tranche (the “Term B Tranche”) and a \$150.0 million 364-day tranche (the “364-day Tranche”) and, together with the Term B Tranche, collectively, the “Term Loan Facility”). The entire amount of the net proceeds from the Term Loan Facility was used to finance the Supervalu acquisition and related transaction costs.

The loans under the Term B Tranche will be payable in full on October 22, 2025; provided that, if on or prior to December 31, 2024, that certain Agreement for Distribution of Products, dated as of October 30, 2015, by and between Whole Foods Market Distribution, Inc., a Delaware corporation, and the Company (the “Whole Foods Supply Agreement”) has not been extended until at least October 23, 2025 on terms not materially less favorable, taken as a whole, to the Company and its subsidiaries than those in effect on the Closing Date, then the loans under the Term B Tranche will be payable in full on December 31, 2024. On March 3, 2021, we entered into an amendment to the Whole Foods Supply Agreement, which extended the term of the agreement from September 28, 2025 to September 27, 2027, and which satisfies the extension requirement in the Term Loan Agreement.

In fiscal 2021 year-to-date, the Company made prepayments on the Term B Tranche of \$758.0 million as described above.

The loans under the 364-day Tranche were paid in full on October 21, 2019. The Company funded the scheduled maturity of the \$52.8 million outstanding borrowings under the 364-day Tranche with incremental borrowings under the ABL Credit Facility on October 21, 2019.

Under the Term Loan Agreement, the Term Borrowers may, at their option, increase the amount of the Term B Tranche, add one or more additional tranches of term loans or add one or more additional tranches of revolving credit commitments, without the consent of any Term Lenders not participating in such additional borrowings, up to an aggregate amount of \$656.3 million plus additional amounts based on satisfaction of certain leverage ratio tests, subject to certain customary conditions and applicable lenders committing to provide the additional funding. There can be no assurance that additional funding would be available.

The Term Borrowers’ obligations under the Term Loan Facility are guaranteed by most of the Company’s wholly-owned domestic subsidiaries who are not also Term Borrowers (collectively, the “Term Guarantors”), subject to customary exceptions and limitations, including an exception for immaterial subsidiaries designated by the Company from time to time. The Term Borrowers’ obligations under the Term Loan Facility and the Term Guarantors’ obligations under the related guarantees are secured by (i) a first-priority lien on substantially all of the Term Borrowers’ and the Term Guarantors’ assets other than the ABL Assets and (ii) a second-priority lien on substantially all of the Term Borrowers’ and the Term Guarantors’ ABL Assets, in each case, subject to customary exceptions and limitations, including an exception for owned real property with net book values of less than \$10.0 million. As of January 30, 2021, there was \$587.1 million of owned real property pledged as collateral that was included in Property and equipment, net and Prepaid expenses and Other current assets in the Condensed Consolidated Balance Sheets.

The loans under the Term Loan Facility may be voluntarily prepaid, subject to certain minimum payment thresholds and the payment of breakage or other similar costs. Under the Term Loan Facility, the Company is required, subject to certain exceptions and customary reinvestment rights, to apply 100 percent of Net Cash Proceeds (as defined in the Term Loan Agreement) from certain types of asset sales to prepay the loans outstanding under the Term Loan Facility. Commencing with the fiscal year ending August 1, 2020, the Company must also prepay loans outstanding under the Term Loan Facility no later than 130 days after the fiscal year end in an aggregate principal amount equal to a specified percentage (which percentage ranges from 0 to 75 percent depending on the Consolidated First Lien Net Leverage Ratio (as defined in the Term Loan Agreement) as of the last day of such fiscal year) of Excess Cash Flow (as defined in the Term Loan Agreement) in excess of \$10 million for the fiscal year then ended, minus any voluntary prepayments of the loans under the Term Loan Facility, the ABL Credit Facility (to the extent they permanently reduce commitments under the ABL Facility) and certain other indebtedness made during such fiscal year. Based on the Company's Excess Cash Flow in fiscal 2020, a \$72.0 million prepayment was required and paid in the quarter ending October 31, 2020. The potential amount of prepayment from Excess Cash Flow in fiscal 2021 that may be required in fiscal 2022 is not reasonably estimable as of January 30, 2021.

As of January 30, 2021, the borrowings under the Term B Tranche of the Term Loan Facility bear interest at rates that, at the Term Borrowers' option, can be either: (i) a base rate and a margin of 3.25% or (ii) a LIBOR rate and a margin of 4.25%; provided that the LIBOR rate shall never be less than 0.0%. The Term Loan Agreement contains provisions for the establishment of an alternative rate of interest in the event that LIBOR is no longer available.

The Term Loan Agreement does not include any financial maintenance covenants but contains other customary affirmative and negative covenants and customary representations and warranties. The Term Loan Agreement also contains customary events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, events of bankruptcy and insolvency, failure of any guaranty or security document supporting the Term Loan Facility to be in full force and effect, and a change of control. If an event of default occurs and is continuing, the Term Borrowers may be required to immediately repay all amounts outstanding under the Term Loan Agreement.

As of January 30, 2021, the Company had borrowings of \$1,015.0 million outstanding under the Term B Tranche, which are presented net of debt issuance costs of \$18.8 million and an original issue discount on debt of \$18.4 million. As of January 30, 2021, no amount of the Term B Tranche was classified as current.

NOTE 9—COMPREHENSIVE (LOSS) INCOME AND ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in Accumulated other comprehensive loss by component, net of tax, for fiscal 2021 year-to-date are as follows:

<i>(in thousands)</i>	Other Cash Flow Derivatives	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
Accumulated other comprehensive loss at August 1, 2020	\$ (67)	\$ (115,296)	\$ (21,419)	\$ (101,164)	\$ (237,946)
Other comprehensive (loss) income before reclassifications	(165)	—	3,257	4,494	7,586
Reclassification of amounts included in net periodic benefit income	—	(506)	—	—	(506)
Reclassification of cash flow hedges	120	—	—	17,217	17,337
Net current period Other comprehensive (loss) income	(45)	(506)	3,257	21,711	24,417
Accumulated other comprehensive loss at January 30, 2021	<u>\$ (112)</u>	<u>\$ (115,802)</u>	<u>\$ (18,162)</u>	<u>\$ (79,453)</u>	<u>\$ (213,529)</u>

Changes in Accumulated other comprehensive loss by component, net of tax, for fiscal 2020 year-to-date are as follows:

<i>(in thousands)</i>	Benefit Plans	Foreign Currency Translation	Swap Agreements	Total
Accumulated other comprehensive loss at August 3, 2019	\$ (32,458)	\$ (20,082)	\$ (56,413)	\$ (108,953)
Other comprehensive income (loss) before reclassifications	1,480	24	(2,588)	(1,084)
Reclassification of amounts included in net periodic benefit income	(1,148)	—	—	(1,148)
Reclassification of cash flow hedges	—	—	(4,845)	(4,845)
Pension settlement charge	7,610	—	—	7,610
Net current period Other comprehensive income (loss)	7,942	24	(7,433)	533
Accumulated other comprehensive loss at February 1, 2020	<u>\$ (24,516)</u>	<u>\$ (20,058)</u>	<u>\$ (63,846)</u>	<u>\$ (108,420)</u>

Items reclassified out of Accumulated other comprehensive loss had the following impact on the Condensed Consolidated Statements of Operations:

<i>(in thousands)</i>	13-Week Period Ended		26-Week Period Ended		Affected Line Item on the Condensed Consolidated Statements of Operations
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020	
Pension and postretirement benefit plan obligations:					
Reclassification of amounts included in net periodic benefit income ⁽¹⁾	\$ (404)	\$ (777)	\$ (713)	\$ (1,551)	Net periodic benefit income, excluding service cost
Pension settlement charge	—	10,303	—	10,303	Net periodic benefit income, excluding service cost
Total reclassifications	(404)	9,526	(713)	8,752	
Income tax expense (benefit)	104	(2,492)	207	(2,290)	Provision (benefit) for income taxes
Total reclassifications, net of tax	<u>\$ (300)</u>	<u>\$ 7,034</u>	<u>\$ (506)</u>	<u>\$ 6,462</u>	
Swap agreements:					
Reclassification of cash flow hedge	\$ 11,498	\$ (4,251)	\$ 23,534	\$ (6,621)	Interest expense, net
Income tax benefit	(3,087)	(1,348)	(6,317)	(1,776)	Provision (benefit) for income taxes
Total reclassifications, net of tax	<u>\$ 8,411</u>	<u>\$ (2,903)</u>	<u>\$ 17,217</u>	<u>\$ (4,845)</u>	
Other cash flow hedges:					
Reclassification of cash flow hedge	\$ (5)	\$ —	\$ 164	\$ —	Cost of sales
Income tax expense (benefit)	1	—	(44)	—	Provision (benefit) for income taxes
Total reclassifications, net of tax	<u>\$ (4)</u>	<u>\$ —</u>	<u>\$ 120</u>	<u>\$ —</u>	

(1) Reclassification of amounts included in net periodic benefit income include reclassification of prior service benefit and reclassification of net actuarial loss as reflected in Note 11—Benefit Plans.

As of January 30, 2021, the Company expects to reclassify \$44.1 million out of Accumulated other comprehensive loss and primarily into Interest expense, net during the following twelve-month period.

NOTE 10—SHARE-BASED AWARDS

During the second quarter of fiscal 2021, the Company authorized for issuance and registered an additional 3.6 million shares of common stock under the Amended and Restated 2020 Equity Incentive Plan. In fiscal 2021 year-to-date, the Company granted restricted stock units and performance share units to its directors, executive officers, and certain employees representing a right to receive an aggregate of 2.6 million shares. As of January 30, 2021, there were 3.9 million shares available for issuance under the 2020 Equity Incentive Plan.

NOTE 11—BENEFIT PLANS

Net periodic benefit income (cost) and contributions to defined benefit pension and other post-retirement benefit plans consisted of the following:

<i>(in thousands)</i>	13-Week Period Ended			
	Pension Benefits		Other Postretirement Benefits	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net Periodic Benefit (Income) Cost				
Service cost	\$ —	\$ —	\$ 12	\$ 14
Interest cost	9,164	13,602	103	236
Expected return on plan assets	(25,964)	(26,587)	(26)	(54)
Amortization of prior service credit	—	—	(350)	(350)
Amortization of net actuarial loss (gain)	261	3	(315)	(430)
Pension settlement charge	—	10,303	—	—
Net periodic benefit income	<u>\$ (16,539)</u>	<u>\$ (2,679)</u>	<u>\$ (576)</u>	<u>\$ (584)</u>
Contributions to benefit plans	<u>\$ (375)</u>	<u>\$ (1,150)</u>	<u>\$ (950)</u>	<u>\$ (60)</u>

<i>(in thousands)</i>	26-Week Period Ended			
	Pension Benefits		Other Postretirement Benefits	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net Periodic Benefit (Income) Cost				
Service cost	\$ —	\$ —	\$ 24	\$ 28
Interest cost	18,328	30,292	206	472
Expected return on plan assets	(51,929)	(54,069)	(52)	(108)
Amortization of prior service credit	—	—	(700)	(700)
Amortization of net actuarial loss (gain)	617	6	(630)	(857)
Pension settlement charge	—	10,303	—	—
Net periodic benefit income	<u>\$ (32,984)</u>	<u>\$ (13,468)</u>	<u>\$ (1,152)</u>	<u>\$ (1,165)</u>
Contributions to benefit plans	<u>\$ (750)</u>	<u>\$ (5,250)</u>	<u>\$ (1,900)</u>	<u>\$ (160)</u>

Pension Contributions

No minimum pension contributions are required to be made under either the SUPERVALU Inc. Retirement Plan or the Unified Grocers, Inc. Cash Balance Plan under the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”) in fiscal 2021. The Company expects to contribute approximately \$5.3 million to its other non-qualified pension plans and postretirement benefit plans in fiscal 2021.

Multiemployer Pension Plans

The Company contributed \$11.8 million and \$12.6 million in the second quarters of fiscal 2021 and 2020, respectively, and \$23.7 million and \$26.1 million in fiscal 2021 and 2020 year-to-date, respectively, to continuing and discontinued operations multiemployer pension plans.

In connection with the Company's consolidation of distribution centers in the Pacific Northwest, during the second quarter of fiscal 2020, the Company recorded a \$10.6 million multiemployer pension plan withdrawal liability, under which payments will be made over a one-year period beginning in fiscal 2022. The withdrawal liability is included in Other long-term liabilities and the withdrawal charge was recorded within Restructuring, acquisition and integration related expenses.

Lump Sum Pension Settlement

On August 1, 2019, the Company amended the SUPERVALU Retirement Plan to provide for a lump sum settlement window. On August 2, 2019, the Company sent plan participants lump sum settlement election offerings that committed the plan to pay certain deferred vested pension plan participants and retirees, who make such an election, a lump sum payment in exchange for their rights to receive ongoing payments from the plan. The lump sum payment amounts are equal to the present value of the participant's pension benefits, and were made to certain former (i) retired associates and beneficiaries who are receiving their monthly pension benefit payment and (ii) terminated associates who are deferred vested in the plan, had not yet begun receiving monthly pension benefit payments and who are not eligible for any prior lump sum offerings under the plan. Benefit obligations associated with the lump sum offering have been incorporated into the funded status utilizing the actuarially determined lump sum payments based on estimated offer acceptances. The plan made aggregate lump sum settlement payments of \$664.0 million to plan participants during the second quarter of fiscal 2020. The lump sum settlement payments resulted in a non-cash pension settlement charge of \$10.3 million in the second quarter of fiscal 2020 from the acceleration of a portion of the accumulated unrecognized actuarial loss, which was based on the fair value of SUPERVALU Retirement Plan assets and remeasured liabilities. As a result of the settlement payments, the SUPERVALU Retirement Plan obligations were remeasured using a discount rate of 3.1 percent and the MP-2019 mortality improvement scale. This remeasurement resulted in a \$1.5 million decrease to Accumulated other comprehensive loss.

NOTE 12—INCOME TAXES

The effective income tax rate for continuing operations was an expense of 22.4% on pre-tax income compared to a benefit of 47.8% on pre-tax losses for the second quarters of fiscal 2021 and 2020, respectively. The change in the effective income tax rate for the second quarter of fiscal 2021 was primarily driven by a pre-tax loss of approximately \$26.8 million in the second quarter of fiscal 2020 compared to pre-tax income of approximately \$73.2 million in the second quarter of fiscal 2021. In addition, the change in the rate is partially driven by a discrete tax benefit of approximately \$2.8 million in the second quarter of fiscal 2021 related to the release of unrecognized tax positions versus a discrete tax benefit of approximately \$0.5 million for this item in the second quarter of fiscal 2020. The tax provision had \$3.1 million and \$0.1 million of discrete tax benefits, including those mentioned above, for the second quarters of fiscal 2021 and fiscal 2020, respectively.

The effective income tax rate for continuing operations was an expense of 21.6% on pre-tax income compared to a benefit of 16.6% on pre-tax losses for fiscal 2021 year-to-date and fiscal 2020 year-to-date, respectively. The change in the effective income tax rate was primarily driven by a discrete tax benefit in fiscal 2021 year-to-date for employee stock vestings versus a discrete tax expense for this item in fiscal 2020 year-to-date, as well as a discrete tax benefit for the release of unrecognized tax positions in fiscal 2021 year-to-date versus a discrete tax expense for this item in fiscal 2020 year-to-date. In addition, fiscal 2020 year-to-date was impacted by a goodwill impairment charge that did not repeat in fiscal 2021 year-to-date. The tax provision had \$3.5 million and \$64.4 million of discrete tax benefits for fiscal 2021 and fiscal 2020 year-to-date, respectively.

NOTE 13—EARNINGS (LOSS) PER SHARE

The following is a reconciliation of the basic and diluted number of shares used in computing earnings (loss) per share:

<i>(in thousands, except per share data)</i>	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Basic weighted average shares outstanding	56,138	53,523	55,717	53,368
Net effect of dilutive stock awards based upon the treasury stock method	3,067	—	3,402	—
Diluted weighted average shares outstanding	59,205	53,523	59,119	53,368
Basic earnings (loss) per share:				
Continuing operations	\$ 0.98	\$ (0.27)	\$ 0.95	\$ (7.54)
Discontinued operations	\$ 0.07	\$ (0.30)	\$ 0.09	\$ (0.23)
Basic earnings (loss) per share	\$ 1.05	\$ (0.57)	\$ 1.04	\$ (7.77)
Diluted earnings (loss) per share:				
Continuing operations	\$ 0.93	\$ (0.27)	\$ 0.89	\$ (7.54)
Discontinued operations	\$ 0.06	\$ (0.30)	\$ 0.09	\$ (0.23)
Diluted earnings (loss) per share	\$ 1.00	\$ (0.57)	\$ 0.98	\$ (7.77)
Anti-dilutive stock-based awards excluded from the calculation of diluted earnings per share	1,140	7,413	1,214	7,834

NOTE 14—BUSINESS SEGMENTS

The Company has two reportable segments: Wholesale and Retail. These reportable segments are two distinct businesses, each with a different customer base, marketing strategy and management structure. The Wholesale reportable segment is the aggregation of two operating segments: U.S. Wholesale and Canada Wholesale. The U.S. Wholesale and Canada Wholesale operating segments have similar products and services, customer channels, distribution methods and economic characteristics. Reportable segments are reviewed on an annual basis, or more frequently if events or circumstances indicate a change in reportable segments has occurred.

The Wholesale reportable segment is engaged in the national distribution of natural, organic, specialty, produce and conventional grocery and non-food products, and providing professional services in the United States and Canada. The Retail reportable segment derives revenues from the sale of groceries and other products at retail locations operated by the Company. The Company has additional operating segments that do not meet the quantitative thresholds for reportable segments and are therefore aggregated under the caption of Other. Other includes a manufacturing division, which engages in the importing, roasting, packaging and distributing of nuts, dried fruit, seeds, trail mixes, granola, natural and organic snack items and confections, and the Company's branded product lines. Other also includes certain corporate operating expenses that are not allocated to operating segments, which include, among other expenses, restructuring, acquisition, and integration related expenses, share-based compensation and salaries, retainers, and other related expenses of certain officers and all directors. Wholesale records revenues related to sales to Retail at gross margin rates consistent with sales to other similar wholesale customers of the acquired Supervalu business.

Segment earnings include revenues and costs attributable to each of the respective business segments and allocated corporate overhead, based on the segment's estimated consumption of corporately managed resources. The Company allocates certain corporate capital expenditures and identifiable assets to its business segments and retains certain depreciation expense related to those assets within Other. Non-operating expenses that are not allocated to the operating segments are included in the Other segment. In the fourth quarter of fiscal 2020, the Company updated its segment profit measure to Adjusted EBITDA. Prior period amounts have been recast to reflect this change in segment profit measure.

The following table provides continuing operations net sales and Adjusted EBITDA by reportable segment and reconciles that information to Income (loss) from continuing operations before income taxes:

<i>(in thousands)</i>	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net sales:				
Wholesale ⁽¹⁾	\$ 6,608,775	\$ 6,206,918	\$ 13,040,058	\$ 12,274,225
Retail	620,871	538,629	1,215,782	1,053,855
Other	55,428	41,073	111,040	106,152
Eliminations	(396,941)	(355,238)	(806,140)	(706,238)
Total Net sales	\$ 6,888,133	\$ 6,431,382	\$ 13,560,740	\$ 12,727,994
Continuing Operations Adjusted EBITDA:				
Wholesale	\$ 186,768	\$ 102,454	\$ 309,729	\$ 208,766
Retail	25,330	11,428	49,612	21,990
Other	(7,845)	14,425	(3,695)	12,828
Eliminations	(1,778)	(665)	3,946	494
Adjustments:				
Net income attributable to noncontrolling interests	1,605	650	2,972	1,169
Total other expense, net	(32,143)	(44,339)	(83,445)	(82,264)
Depreciation and amortization	(66,534)	(69,219)	(143,723)	(144,360)
Share-based compensation	(12,673)	(5,134)	(26,822)	(9,059)
Restructuring, acquisition and integration related expenses	(17,783)	(36,522)	(34,211)	(51,194)
Goodwill and asset impairment charges	—	—	—	(425,405)
Loss on sale of assets	(399)	(524)	(169)	(434)
Notes receivable charges	—	—	—	(12,516)
Legal settlement income (reserve charge)	—	654	—	(1,196)
Other retail expense	(1,394)	—	(3,003)	—
Income (loss) from continuing operations before income taxes	\$ 73,154	\$ (26,792)	\$ 71,191	\$ (481,181)
Depreciation and amortization:				
Wholesale	\$ 58,766	\$ 65,768	\$ 126,587	\$ 133,761
Retail	6,764	843	14,152	2,301
Other	1,004	2,608	2,984	8,298
Total depreciation and amortization	\$ 66,534	\$ 69,219	\$ 143,723	\$ 144,360
Capital expenditures:				
Wholesale	\$ 45,882	\$ 43,370	\$ 83,873	\$ 85,629
Retail	4,109	2,619	7,310	5,295
Other	145	91	333	204
Total capital expenditures	\$ 50,136	\$ 46,080	\$ 91,516	\$ 91,128

(1) As presented in Note 3—Revenue Recognition, for the second quarters of fiscal 2021 and 2020, the Company recorded \$345.3 million and \$308.1 million, respectively, and \$702.9 million and \$605.8 million in fiscal 2021 and 2020 year-to-date, respectively, within Net sales in its Wholesale reportable segment attributable to Wholesale sales to its Retail segment that have been eliminated upon consolidation. Refer to Note 3—Revenue Recognition for additional information regarding Wholesale sales to discontinued operations.

Total assets of continuing operations by reportable segment were as follows:

<i>(in thousands)</i>	January 30, 2021	August 1, 2020
Assets:		
Wholesale	\$ 6,454,162	\$ 6,588,836
Retail	565,252	542,470
Other	521,752	501,468
Eliminations	(57,133)	(54,784)
Total assets of continuing operations	<u>\$ 7,484,033</u>	<u>\$ 7,577,990</u>

NOTE 15—COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Guarantees and Contingent Liabilities

The Company has outstanding guarantees related to certain leases, fixture financing loans and other debt obligations of various retailers as of January 30, 2021. These guarantees were generally made to support the business growth of wholesale customers. The guarantees are generally for the entire terms of the leases, fixture financing loans or other debt obligations with remaining terms that range from less than one year to nine years, with a weighted average remaining term of approximately five years. For each guarantee issued, if the wholesale customer or other third-party defaults on a payment, the Company would be required to make payments under its guarantee. Generally, the guarantees are secured by indemnification agreements or personal guarantees.

The Company reviews performance risk related to its guarantee obligations based on internal measures of credit performance. As of January 30, 2021, the maximum amount of undiscounted payments the Company would be required to make in the event of default of all guarantees was \$28.7 million (\$25.0 million on a discounted basis). Based on the indemnification agreements, personal guarantees and results of the reviews of performance risk, a total estimated loss of \$1.0 million is recorded in the Condensed Consolidated Balance Sheets.

The Company is contingently liable for leases that have been assigned to various third parties in connection with facility closings and dispositions. The Company could be required to satisfy the obligations under the leases if any of the assignees are unable to fulfill their lease obligations. Due to the wide distribution of the Company's lease assignments among third parties, and various other remedies available, the Company believes the likelihood that it will be required to assume a material amount of these obligations is remote. For leases that have been assigned, the Company has recorded the associated right of use operating lease assets and obligations within the Condensed Consolidated Balance Sheets. No associated lessor receivables are reflected on the Condensed Consolidated Balance Sheets; however, the Company expects its assignees to make lease payments to its landlords. For the Company's lease guarantee arrangements, no amounts have been recorded within the Condensed Consolidated Balance Sheets as the fair value has been determined to be de minimis.

The Company is a party to a variety of contractual agreements under which it may be obligated to indemnify the other party for certain matters in the ordinary course of business, which indemnities may be secured by operation of law or otherwise. These agreements primarily relate to the Company's commercial contracts, service agreements, contracts entered into for the purchase and sale of stock or assets, operating leases and other real estate contracts, financial agreements, agreements to provide services to the Company and agreements to indemnify officers, directors and employees in the performance of their work. While the Company's aggregate indemnification obligations could result in a material liability, the Company is not aware of any matters that are expected to result in a material liability. No amount has been recorded in the Condensed Consolidated Balance Sheets for these contingent obligations as the fair value has been determined to be de minimis.

In connection with Supervalu's sale of New Albertson's, Inc. ("NAI") on March 21, 2013, the Company remains contingently liable with respect to certain self-insurance commitments and other guarantees as a result of parental guarantees issued by Supervalu with respect to the obligations of NAI that were incurred while NAI was Supervalu's subsidiary. Based on the expected settlement of the self-insurance claims that underlie the Company's commitments, the Company believes that such contingent liabilities will continue to decline. Subsequent to the sale of NAI, NAI collateralized most of these obligations with letters of credit and surety bonds to numerous state governmental authorities. Because NAI remains a primary obligor on these self-insurance and other obligations and has collateralized most of the self-insurance obligations for which the Company remains contingently liable, the Company believes that the likelihood that it will be required to assume a material amount of these obligations is remote. Accordingly, no amount has been recorded in the Condensed Consolidated Balance Sheets for these guarantees, as the fair value has been determined to be de minimis.

Agreements with Save-A-Lot and Onex

The Agreement and Plan of Merger pursuant to which Supervalu sold the Save-A-Lot business in 2016 (the “SAL Merger Agreement”) contains customary indemnification obligations of each party with respect to breaches of their respective representations, warranties and covenants, and certain other specified matters, on the terms and subject to the limitations set forth in the SAL Merger Agreement. Similarly, Supervalu entered into a Separation Agreement (the “Separation Agreement”) with Moran Foods, LLC d/b/a Save-A-Lot (“Moran Foods”), which contains indemnification obligations and covenants related to the separation of the assets and liabilities of the Save-A-Lot business from the Company. The Company also entered into a Services Agreement with Moran Foods (the “Services Agreement”), pursuant to which the Company is providing Save-A-Lot with various technical, human resources, finance and other operational services for a term of five years, subject to termination provisions that can be exercised by each party. The initial annual base charge under the Services Agreement is \$30 million, subject to adjustments. We expect that services provided under the Services Agreement will wind down at or near the end of the initial term in December 2021. The Services Agreement generally requires each party to indemnify the other party against third-party claims arising out of the performance of or the provision or receipt of services under the Services Agreement. While the Company’s aggregate indemnification obligations to Save-A-Lot and Onex, the purchaser of Save-A-Lot, could result in a material liability, the Company is not aware of any matters that are expected to result in a material liability. The Company has recorded the fair value of the guarantee in the Condensed Consolidated Balance Sheets within Other long-term liabilities.

Other Contractual Commitments

In the ordinary course of business, the Company enters into supply contracts to purchase products for resale, and service contracts for fixed asset and information technology systems. These contracts typically include either volume commitments or fixed expiration dates, termination provisions and other standard contractual considerations. As of January 30, 2021, the Company had approximately \$305 million of non-cancelable future purchase obligations.

Legal Proceedings

The Company is one of dozens of companies that have been named in various lawsuits alleging that drug manufacturers, retailers and distributors contributed to the national opioid epidemic. Currently, UNFI, primarily through its subsidiary, Advantage Logistics, is named in approximately 42 suits pending in the United States District Court for the Northern District of Ohio where over 1,800 cases have been consolidated as Multi-District Litigation (“MDL”). In accordance with the Stock Purchase Agreement dated January 10, 2013, between New Albertson’s Inc. (“New Albertson’s”) and the Company (the “Stock Purchase Agreement”), New Albertson’s is defending and indemnifying UNFI in a majority of the cases under a reservation of rights as those cases relate to New Albertson’s pharmacies. In one of the MDL cases, MDL No. 2804 filed by The Blackfeet Tribe of the Blackfeet Indian Reservation, all defendants were ordered to Answer the Complaint, which UNFI did on July 26, 2019. To date, no discovery has been conducted against UNFI in any of the actions. UNFI is vigorously defending these matters, which it believes are without merit.

On January 21, 2021, various health plans filed a complaint in Minnesota state court against the Company, Albertson’s Companies, LLC (“Albertson’s”) and Safeway, Inc. alleging the defendants committed fraud by improperly reporting inflated prices for prescription drugs for members of health plans. The Plaintiffs assert six causes of action against the defendants: common law fraud, fraudulent nondisclosure, negligent misrepresentation, unjust enrichment, violation of the Minnesota Uniform Deceptive Trade Practices Act and violation of the Minnesota Prevention of Consumer Fraud Act. The plaintiffs allege that between 2006 and 2016, Supervalu overcharged the health plans by not providing the health plans, as part of usual and customary prices, the benefit of discounts given to customers purchasing prescription medication who requested that Supervalu match competitor prices. Plaintiffs seek an unspecified amount of damages. Similar to the above case, for the majority of the relevant period Supervalu and Albertson’s operated as a combined company. In March 2013, Supervalu divested Albertson’s and pursuant to the Stock Purchase Agreement, Albertson’s is responsible for any claims regarding its pharmacies. The Company believes these claims are without merit and intends to vigorously defend this matter.

UNFI is currently subject to a qui tam action alleging violations of the False Claims Act (“FCA”). In United States ex rel. Schutte and Yarberry v. Supervalu, New Albertson’s, Inc., et al, which is pending in the U.S. District Court for the Central District of Illinois, the relators allege that defendants overcharged government healthcare programs by not providing the government, as a part of usual and customary prices, the benefit of discounts given to customers purchasing prescription medication who requested that defendants match competitor prices. The complaint was originally filed under seal and amended on November 30, 2015. The government previously investigated the relators’ allegations and declined to intervene. Violations of the FCA are subject to treble damages and penalties of up to a specified dollar amount per false claim. Relators elected to pursue the case on their own and have alleged FCA damages against Supervalu and New Albertson’s in excess of \$100 million,

not including trebling and statutory penalties. For the majority of the relevant period Supervalu and New Albertson's operated as a combined company. In March 2013, Supervalu divested New Albertson's (and related assets) pursuant to the Stock Purchase Agreement. Based on the claims that are currently pending and the Stock Purchase Agreement, Supervalu's share of a potential award (at the currently claimed value by relators) would be approximately \$24 million, not including trebling and statutory penalties. Both sides moved for summary judgment. On August 5, 2019, the Court granted one of the relators' summary judgment motions finding that the defendants' lower matched prices are the usual and customary prices and that Medicare Part D and Medicaid were entitled to those prices. On July 2, 2020 the Court granted the defendants' summary judgment motion and denied the relators' motion, dismissing the case. On July 9, 2020 the relators filed a notice of appeal with the 7th Circuit Court of Appeals, and on September 30, 2020 filed an appellate brief. On November 30, 2020, the Company filed its response. The hearing before the 7th Circuit Court of Appeals occurred on January 19, 2021.

From time to time, the Company receives notice of claims or potential claims or becomes involved in litigation, alternative dispute resolution, such as arbitration, or other legal and regulatory proceedings that arise in the ordinary course of its business, including investigations and claims regarding employment law; pension plans; labor union disputes, including unfair labor practices, such as claims for back-pay in the context of labor contract negotiations; supplier, customer and service provider contract terms and claims, including matters related to supplier or customer insolvency or general inability to pay obligations as they become due; real estate and environmental matters, including claims in connection with its ownership and lease of a substantial amount of real property, both retail and warehouse properties; and antitrust. Other than as described above, there are no pending material legal proceedings to which the Company is a party or to which its property is subject.

Predicting the outcomes of claims and litigation and estimating related costs and exposures involves substantial uncertainties that could cause actual outcomes, costs and exposures to vary materially from current expectations. Management regularly monitors the Company's exposure to the loss contingencies associated with these matters and may from time to time change its predictions with respect to outcomes and estimates with respect to related costs and exposures. As of January 30, 2021, no material accrued obligations, individually or in the aggregate, have been recorded for these legal proceedings.

Although management believes it has made appropriate assessments of potential and contingent loss in each of these cases based on current facts and circumstances, and application of prevailing legal principles, there can be no assurance that material differences in actual outcomes from management's current assessments, costs and exposures relative to current predictions and estimates, or material changes in such predictions or estimates will not occur. The occurrence of any of the foregoing, could have a material adverse effect on our financial condition, results of operations or cash flows.

NOTE 16—DISCONTINUED OPERATIONS

In conjunction with the Supervalu acquisition, the Company announced its plan to sell the remaining acquired retail operations of Supervalu. Since the acquisition, the Company sold Hornbacher's, and sold and exited the retail operations of certain Shoppers locations, Shop 'n Save St. Louis and Shop 'n Save East. As discussed further in Note 1—Significant Accounting Policies, in the fourth quarter of fiscal 2020, the Company determined Retail no longer qualified for held for sale presentation and the results of operations, financial position and cash flows of Retail have been revised in order to present Retail within continuing operations. Subsequent to the presentation changes in the fourth quarter of fiscal 2020, discontinued operations contains the historical results of operations, financial position and cash flows of Hornbacher's, certain Shoppers locations, Shop 'n Save St. Louis and Shop 'n Save East. As of January 30, 2021, only four Shoppers locations are contained in remaining disposal groups that continue to be classified as operations held for sale as discontinued operations.

In the second quarter of fiscal 2020, the Company entered into agreements to sell 13 Shoppers stores and decided to close six locations. During fiscal 2020 year-to-date, within discontinued operations the Company incurred approximately \$23.6 million in pre-tax aggregate costs and charges related to Shoppers stores that remain within discontinued operations, consisting of \$18.8 million of operating losses, severance costs and transaction costs during the period of wind-down and \$5.5 million of property and equipment impairment charges related to impairment reviews.

Operating results of discontinued operations are summarized below:

<i>(In thousands)</i>	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net sales	\$ 22,973	\$ 75,076	\$ 47,789	\$ 170,671
Cost of sales	15,748	56,553	32,520	121,639
Gross profit	7,225	18,523	15,269	49,032
Operating expenses	3,528	15,228	9,759	40,304
Restructuring expenses and charges	792	24,009	783	24,184
Operating income (loss)	2,905	(20,714)	4,727	(15,456)
Other expense (income), net	—	(3)	—	(64)
Income (loss) from discontinued operations before income taxes	2,905	(20,711)	4,727	(15,392)
Benefit for income taxes	(898)	(4,635)	(372)	(3,342)
Income (loss) from discontinued operations, net of tax	\$ 3,803	\$ (16,076)	\$ 5,099	\$ (12,050)

No net sales were recorded within continuing operations for retail stores within discontinued operations that the Company disposed of and expects to dispose of without a supply agreement. These net sales have been eliminated upon consolidation within the Wholesale segment of continuing operations and amounted to \$13.4 million and \$36.1 million in the second quarters of fiscal 2021 and 2020, respectively, and \$27.8 million and \$92.1 million in fiscal 2021 and 2020 year-to-date, respectively.

The following table summarizes the carrying amounts of major classes of assets and liabilities that were classified as held-for-sale on the Condensed Consolidated Balance Sheets:

<i>(In thousands)</i>	January 30, 2021	August 1, 2020
Current assets		
Cash and cash equivalents	\$ 155	\$ 119
Accounts receivable, net	578	350
Inventories, net	3,329	4,233
Other current assets	654	365
Total current assets of discontinued operations	4,716	5,067
Long-term assets		
Property and equipment	927	3,450
Other long-term assets	464	465
Total long-term assets of discontinued operations	1,391	3,915
Total assets of discontinued operations	\$ 6,107	\$ 8,982
Current liabilities		
Accounts payable	\$ 3,405	\$ 3,613
Accrued compensation and benefits	2,575	4,501
Other current liabilities	2,333	3,324
Total current liabilities of discontinued operations	8,313	11,438
Long-term liabilities		
Other long-term liabilities	15	1,738
Total liabilities of discontinued operations	8,328	13,176
Net liabilities of discontinued operations	\$ (2,221)	\$ (4,194)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENTS FOR PURPOSES OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act, that involve substantial risks and uncertainties. In some cases you can identify these statements by forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “seek,” “should,” “will,” and “would,” or similar words. Statements that contain these words and other statements that are forward-looking in nature should be read carefully because they discuss future expectations, contain projections of future results of operations or of financial positions or state other “forward-looking” information.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. These statements are based on our management’s beliefs and assumptions, which are based on currently available information. These assumptions could prove inaccurate. You are cautioned not to place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to:

- the impact and duration of the COVID-19 pandemic;
- our dependence on principal customers;
- our sensitivity to general economic conditions including changes in disposable income levels and consumer spending trends;
- our ability to realize anticipated benefits of our acquisitions and dispositions, in particular, our acquisition of SUPERVALU INC. (“Supervalu”);
- our reliance on the continued growth in sales of our higher margin natural and organic foods and non-food products in comparison to lower margin conventional grocery products;
- increased competition in our industry as a result of increased distribution of natural, organic and specialty products, and direct distribution of those products by large retailers and online distributors;
- the possibility that restructuring, asset impairment, and other charges and costs we may incur in connection with the sale or closure of our retail operations will exceed our current expectations;
- increased competition as a result of continuing consolidation of retailers in the natural product industry and the growth of supernatural chains;
- the addition or loss of significant customers or material changes to our relationships with these customers;
- union-organizing activities that could cause labor relations difficulties and increased costs;
- our ability to operate, and rely on third-parties to operate, reliable and secure technology systems;
- the relatively low margins of our business;
- moderated supplier promotional activity, including decreased forward buying opportunities;
- our ability to timely and successfully deploy our warehouse management system throughout our distribution centers and our transportation management system across the Company and to achieve efficiencies and cost savings from these efforts;
- the potential for additional asset impairment charges;
- our sensitivity to inflationary and deflationary pressures;
- the potential for disruptions in our supply chain or our distribution capabilities by circumstances beyond our control, including a health epidemic;
- the risk of interruption of supplies due to lack of long-term contracts, severe weather, work stoppages or otherwise;
- volatility in fuel costs;
- volatility in foreign exchange rates; and
- our ability to identify and successfully complete asset or business acquisitions.

You should carefully review the risks described under “Part I. Item 1A Risk Factors” of our Annual Report on Form 10-K for the year ended August 1, 2020 as well as any other cautionary language in this Quarterly Report, as the occurrence of any of these events could have an adverse effect, which may be material, on our business, results of operations, financial condition or cash flows.

EXECUTIVE OVERVIEW

Business Overview

As a leading distributor of natural, organic, specialty, produce and conventional grocery and non-food products, and provider of support services to retailers in the United States and Canada, we believe we are uniquely positioned to provide the broadest array of products and services to customers throughout North America. We offer more than 275,000 products consisting of national, regional and private label brands grouped into six product categories: grocery and general merchandise; produce; perishables and frozen foods; nutritional supplements and sports nutrition; bulk and food service products; and personal care items. Through our October 2018 acquisition of Supervalu, we are transforming into North America's premier wholesaler with 58 distribution centers and warehouses representing approximately 30 million square feet of warehouse space. Our business is classified into two reportable segments: Wholesale and Retail; and also includes a manufacturing division and a branded product line division.

Growth Drivers

A key component of our business and growth strategy has been to acquire distribution companies differentiated by product offerings, service offerings and market area. In fiscal 2019, the acquisition of Supervalu accelerated our "build out the store" strategy, diversified our customer base, enabled cross-selling opportunities, expanded our market reach and scale, enhanced our technology, capacity and systems, and is expected to continue to deliver synergies and accelerate growth. We believe the Supervalu acquisition allows us to better serve our wholesale customers' needs and compete in the current environment by providing additional warehouse and transportation capacity, which enabled us to provide a broader array of products to our customers. As one of the largest wholesale grocery distributors in North America, and in light of the continued expansion of our distribution network and "build out the store" strategy, we believe we are well positioned to leverage our infrastructure in the current economic and social environment to continue to serve our customers and the communities in which we operate, and are actively pursuing new customers.

We believe our significant scale and footprint will generate long-term shareholder value by positioning us to continue to grow sales of natural, organic, specialty, produce and conventional grocery and non-food products, including our Private Brands. We also believe we have an opportunity to sell additional services to our customers to help them more efficiently operate their business while leveraging the infrastructure investments we have made. Services we sell to our customers include coupon processing, consumer marketing, retail technology and payments and consumer services. We have realized significant cost and revenue synergies from the acquisition of Supervalu by leveraging the scale and resources of the combined company, cross-selling to our customers, integrating our merchandising offerings into existing warehouses, optimizing our network footprint to lower our cost structure and eliminating redundant administrative costs. We expect to realize additional cost and revenue synergies in the future.

We expect the benefits of our significant scale, product and service offerings and nationwide footprint to attract new customers, such as Key Food Stores co-operative, Inc. ("Key Food"). On October 6, 2020, we announced UNFI had been selected as the primary grocery wholesaler by Key Food, a Co-Operative of 315 member-owned and corporate grocery stores located in the Northeast and Florida. UNFI's supply agreement with Key Food has a term of 10 years with expected sales over that time period of approximately \$10 billion.

We have been the primary distributor to Whole Foods Market for more than 20 years. We continue to serve as the primary distributor to Whole Foods Market in all of its regions in the United States pursuant to an amended distribution agreement. On March 3, 2021, we entered into an amendment to our distribution agreement dated October 30, 2015. The Amendment extended the term of the distribution agreement from September 28, 2025 to September 27, 2027.

We currently operate 71 Retail grocery stores acquired in the Supervalu acquisition. We intend to maximize the value of these assets while, over time, thoughtfully and economically divesting these stores. However, we no longer expect to divest Retail within one year and, as a result, beginning in the fourth quarter of fiscal 2020, prior period information in our Condensed Consolidated Financial Statements included in this Quarterly Report has been revised to reclassify Retail from discontinued operations to continuing operations from information previously presented in our Quarterly Reports. This change in financial statement presentation resulted in the inclusion of Retail's results of operations, financial position, cash flows and related disclosures within continuing operations. Prior periods presented in the Condensed Consolidated Financial Statements have been conformed to the current period presentation, resulting in Retail being presented in continuing operations for all periods.

Trends and Other Factors Affecting our Business

Our results are impacted by macroeconomic and demographic trends, and changes in the food distribution market structure. Changes in trends in consumer behavior could impact our results. Over the past several decades, total food expenditures on a constant dollar basis within the United States has continued to increase in total, and the focus in recent decades on natural, organic and specialty foods has benefited the Company; however, consumer spending in the food-away-from-home industry had increased steadily as a percentage of total food expenditures. This trend paused during the 2008 recession, and then continued to increase.

In fiscal 2020, the COVID-19 pandemic, which we refer to as the pandemic, caused a significant increase in food-at-home expenditures as a percentage of total food expenditures. We experienced year-over-year increases in sales and gross profit due to higher Wholesale customer purchases. We expect that food-at-home expenditures as a percentage of total food expenditures will remain higher than recent years until consumer behaviors return to pre-pandemic patterns. We believe that changes in work being done outside of the traditional office setting will contribute to more food being consumed at home. In addition, the elevated levels of unemployment and underemployment due to the pandemic are expected to persist for some time and even after the near-term impact of the pandemic has passed. In general, economic recessions usually result in higher food-at-home expenditures, which would be expected to continue to benefit our customers and result in higher sales. The pandemic also drove significant growth in eCommerce utilization by grocery consumers, and we expect that trend to continue. We expect to benefit from this trend through the growth of our traditional eCommerce customers, our EasyOptions, a business-verified buyer's site for retailers, which directly services non-traditional customers, such as bakeries or yoga studios, and through customers adopting our turnkey eCommerce platform.

Beginning in the third quarter of fiscal 2020, in response to the outbreak of the pandemic, we took actions to respond to the pandemic, support our associates' safety and well-being and maximize our logistics network to serve the communities we supply. Our business model allows us to leverage sales increases, and provides growth in operating earnings margin. We have been able to leverage the fixed and variable costs of our supply chain network and administrative expenses. We have incurred incremental costs related to the pandemic, including additional costs for safety protocols and procedures at our distribution centers and retail stores. Despite incremental labor and operating costs, additional volume experienced by our distribution network and retail stores drove higher leverage on fixed facility costs, semi-variable costs and general and administrative expenses.

We expect to continue to benefit from elevated sales and margin buying activity as compared to historical periods prior to the pandemic while food-at-home expenditures as a percentage of total food expenditures remains higher than recent historical periods, and higher on a year-over-year basis. Trends in increased sales and gross margin benefits have lessened since the initial onset of the pandemic. The ultimate impact on our results is dependent upon the severity and duration of the pandemic and any economic downturn, food-at-home purchasing levels and actions taken by governmental authorities and other third parties in response to the pandemic, each of which is uncertain and rapidly changing. Any of these disruptions could adversely impact our business and results of operations. Considerable uncertainty remains regarding the future impact of the pandemic on our business, which is discussed further in Part I. Item 1A Risk Factors of our Annual Report on Form 10-K for the year ended August 1, 2020.

We are also impacted by changes in food distribution trends affecting our Wholesale customers, such as direct store deliveries and other methods of distribution. Our Wholesale customers manage their businesses independently and operate in a competitive environment. We seek to obtain security interests and other credit support in connection with the financial accommodations we extend these customers; however, we may incur additional credit or inventory charges related to our customers, as we expect the competitive environment to continue to lead to financial stress on some customers. The magnitude of these risks increases as the size of our Wholesale customers increases.

Distribution Center Network

Network Optimization and Construction

Within the Pacific Northwest, we completed the consolidation of the volume of five distribution centers and their related supporting off-site storage facilities into two distribution centers during fiscal 2020. We expect to achieve synergies and cost savings through eliminating inefficiencies, including incurring lower operating, shrink and off-site storage expenses. We also expect that the optimization of the Pacific Northwest distribution network will help deliver meaningful synergies contemplated in the Supervalu acquisition. We expanded the Ridgefield, WA distribution center to enhance customer product offerings, create more efficient inventory management, streamline operations and incorporate greater technology to deliver a better customer experience. We are now supplying customers served by former Pacific Northwest locations from our Centralia, WA, Ridgefield, WA and Gilroy, CA distribution centers. In order to maintain service levels of these higher volume Pacific Northwest distribution centers, we incurred incremental operating costs in the first quarter of fiscal 2021 that we believe temporarily reduced the realization of synergy benefits from this network consolidation.

To support our continued growth on the East coast, we entered into a new lease agreement for approximately 1.3 million square foot facility. The lease agreement commenced in the third quarter of fiscal 2021 when we took control of the facility to make our tenant improvements. We expect to recognize an operating lease asset and an operating lease liability for this distribution center in the third quarter of fiscal 2021 and expect to begin distribution out of this facility in the second half of calendar 2021.

To support our continued growth within southern California, we began operating a newly leased facility with approximately 1.2 million square feet upon completion of its construction in the fourth quarter of fiscal 2020. This facility provides significant capacity to service our customers in this market. On February 24, 2020, we executed a purchase option with a delayed purchase provision to acquire the real property of this distribution center, agreeing to pay approximately \$151.9 million for the facility, subject to finalization. We expect to engage a real estate partner to monetize the real property of this location, including through a sale-leaseback transaction that would ultimately reduce rents paid for this property compared to current levels, which we expect would occur on or before June 2022.

We continue to evaluate our distribution center network to optimize its performance and expect to incur incremental expenses related to any future network realignment and are working to both minimize these costs and obtain new business to further improve the efficiency of our transforming distribution network.

Distribution Center Sales

In the second quarter of fiscal 2021, we received \$35.1 million from the collection of a short-term note receivable, representing the remaining proceeds related to the fiscal 2020 sale of a distribution center. As we consolidate our distribution network, we may sell additional owned facilities or exit leased facilities.

Operating Efficiency

As part of our “one company” approach, we are in the process of converting to a single national warehouse management and procurement system to integrate our existing facilities, including acquired Supervalu facilities, onto one nationalized platform across the organization. We continue to focus on the automation of our new or expanded distribution centers that are at different stages of construction and implementation. These steps and others are intended to promote operational efficiencies and improve operating expenses as a percentage of net sales.

Divestiture of Retail Operations

We have announced our intention to thoughtfully and economically divest our retail businesses acquired as part of the Supervalu acquisition in an efficient and economic manner in order to focus on our core wholesale distribution business. During the fourth quarter of fiscal 2020, we determined we no longer met the held for sale criterion for a probable sale to be completed within 12 months for the Cub Foods business and the majority of the remaining Shoppers locations, collectively referred to as the Retail segment. The Retail segment excludes retail banners and stores previously sold or closed. We reviewed our reportable segments and determined we were required to report Retail as a separate segment. As a result, we revised our Condensed Consolidated Financial Statements to reclassify Retail from discontinued operations to continuing operations. This change in financial statement presentation resulted in the inclusion of Retail’s results of operations, financial position, cash flows and related disclosures within continuing operations. Prior periods presented in the Condensed Consolidated Financial Statements have been conformed to the current period presentation, resulting in Retail being presented in continuing operations for all periods.

The revision of our Condensed Consolidated Statements of Operations to present Retail within continuing operations resulted in an increase in our consolidated net sales, gross profit and operating expenses, and an increase in consolidated gross profit as a percentage of net sales, which was partially offset by an increase in operating expenses as a percent of net sales. In order to present Retail's results of operations within continuing operations, Wholesale sales to Retail have been eliminated upon consolidation. The Wholesale segment's net sales to discontinued operations retail stores are eliminated within the Wholesale segment.

Our strategy remains unchanged and we expect to divest all of our Retail operations in the future. As part of that process we plan to maximize value as part of the divestiture process, including limiting liabilities and stranded costs associated with these divestitures. We expect to obtain ongoing supply relationships with the purchasers of some of these retail operations, but some reductions in supply volume may result from the divestiture of certain of these retail operations. Actions associated with retail divestitures and potential resulting adjustments to our core cost structure for our wholesale food distribution business, are expected to generate headcount reductions and other costs and charges. These costs and charges, which may be material, include multiemployer plan charges, severance costs, store closure charges, and related costs. A withdrawal from a multiemployer pension plan may result in an obligation to make material payments over an extended period of time, or one-time lump sum payments on a net present value basis. In addition, we are evaluating various options to address our off-balance sheet liability under certain of our multiemployer pension plans, irrespective of the retail divestiture process, which actions may result in significant costs or charges. The extent of these costs and charges will be determined based on outcomes achieved under the process undertaken to minimize or eliminate the liability for the respective multiemployer pension plan. At this time, however, we are unable to make an estimate with reasonable certainty of the amount or type of costs and charges expected to be incurred in connection with the foregoing actions.

Our discontinued operations as of the end of the second quarter of fiscal 2021 include four Shoppers stores, and for historical periods, results of discontinued operations include the Hornbacher's and Shop 'n Save and Shop 'n Save East retail banners, which were divested in fiscal 2019, and Shoppers stores that were sold or closed in fiscal 2020 and fiscal 2021. In addition, cash flows from discontinued operations include real estate sales related to those historical retail operations. These retail assets have been classified as held for sale as of the Supervalu acquisition date, and the results of operations, financial position and cash flows directly attributable to these operations are reported within discontinued operations in our Condensed Consolidated Financial Statements for all periods presented. As of the Supervalu acquisition date, retail assets and liabilities were recorded at their estimated fair value less costs to sell, and subsequent to that date, we reviewed the fair value, less cost to sell, of these disposal groups.

We may incur additional costs and charges in the future related to the divestiture of Retail if these locations are subsequently sold, indicators exist that the business may be impaired, or if we incur employee-related charges or wind-down costs.

Professional Services Agreements

In connection with the sale of Save-A-Lot on December 5, 2016, Supervalu entered into a services agreement (the "Services Agreement") with Moran Foods, LLC, the entity that operates the Save-A-Lot business. Pursuant to the Services Agreement, we provide certain technical, human resources, finance and other operational services to Save-A-Lot for a term of five years, on the terms and subject to the conditions set forth therein. The initial annual base charge under the Services Agreement is \$30 million, subject to adjustments. During fiscal 2021, we expect to earn less than \$20 million under this agreement. We expect that services provided under the Services Agreement will wind down at or near the end of the initial term in December 2021. At that time, we would lose the revenue associated with this agreement, and if we are not able to eliminate fixed or variable costs associated with servicing this agreement concurrent with the decline in revenue, we would incur a decrease in operating profit.

Impact of Inflation or Deflation

We monitor product cost inflation and deflation and evaluate whether to absorb cost increases or decreases, or pass on pricing changes to our customers. We experienced a mix of inflation and deflation across product categories during the second quarter of fiscal 2021. In the aggregate across all of our legacy businesses and taking into account the mix of products, management estimates our businesses experienced cost inflation of less than one percent in the second quarter of fiscal 2021. Cost inflation and deflation estimates are based on individual like items sold during the periods being compared. Changes in merchandising, customer buying habits and competitive pressures create inherent difficulties in measuring the impact of inflation and deflation on Net sales and Gross profit. Absent any changes in units sold or the mix of units sold, deflation has the effect of decreasing sales. Under the LIFO method of inventory accounting, product cost increases are recognized within Cost of sales based on expected year end inventory quantities and costs, which has the effect of decreasing Gross profit and the carrying value of inventory.

Business Performance Assessment and Composition of Condensed Consolidated Statements of Operations

Net sales

Our net sales consist primarily of sales of natural, organic, specialty, produce and conventional grocery and non-food products, and provider of support services to retailers, adjusted for customer volume discounts, vendor incentives when applicable, returns and allowances, and professional services revenue. Net sales also include amounts charged by us to customers for shipping and handling and fuel surcharges.

Cost of sales and Gross profit

The principal components of our cost of sales include the amounts paid to suppliers for product sold, plus the cost of transportation necessary to bring the product to, or move product between, our various distribution centers, partially offset by consideration received from suppliers in connection with the purchase or promotion of the suppliers' products. Cost of sales also includes amounts incurred by us at our manufacturing subsidiary, Woodstock Farms Manufacturing, for inbound transportation costs. Our gross margin may not be comparable to other similar companies within our industry that may include all costs related to their distribution network in their costs of sales rather than as operating expenses.

Operating expenses

Operating expenses include salaries and wages, employee benefits, warehousing and delivery, selling, occupancy, insurance, administrative, share-based compensation, depreciation, and amortization expense. These expenses relate to warehousing and delivery expenses including purchasing, receiving, selecting and outbound transportation expenses.

Restructuring, acquisition and integration expenses

Restructuring, acquisition and integration expenses reflect expenses resulting from restructuring activities, including severance costs, change-in-control related charges, facility closure asset impairment charges and costs, stock-based compensation acceleration charges, and acquisition and integration expenses. Integration expenses include incremental expenses related to combining facilities required to optimize our distribution network as a result of acquisitions.

Interest expense, net

Interest expense, net includes primarily interest expense on long-term debt, net of capitalized interest, interest expense on finance and direct finance lease obligations, and amortization of financing costs and discounts.

Net periodic benefit income, excluding service cost

Net periodic benefit income, excluding service cost reflects the recognition of expected returns on benefit plan assets in excess of interest costs.

Adjusted EBITDA

Our Condensed Consolidated Financial Statements are prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"). In addition to the GAAP results, we consider certain non-GAAP financial measures to assess the performance of our business and understand underlying operating performance and core business trends, which we use to facilitate operating performance comparisons of our business on a consistent basis over time. Adjusted EBITDA is provided as a supplement to our results of operations and related analysis, and should not be considered superior to, a substitute for or an alternative to any financial measure of performance prepared and presented in accordance with GAAP. Adjusted EBITDA excludes certain items because they are non-cash items or are items that do not reflect management's assessment of on-going business performance.

We believe Adjusted EBITDA is useful to investors and financial institutions because it provides additional understanding of factors and trends affecting our business, which are used in the business planning process to understand expected operating performance, to evaluate results against those expectations, and as the primary compensation performance measure under certain compensation programs and plans. We believe Adjusted EBITDA is reflective of factors that affect our underlying operating performance and facilitate operating performance comparisons of our business on a consistent basis over time. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an

analytical tool. Certain adjustments to our GAAP financial measures reflected below exclude items that may be considered recurring in nature and may be reflected in our financial results for the foreseeable future. These measurements and items may be different from non-GAAP financial measures used by other companies. Adjusted EBITDA should be reviewed in conjunction with our results reported in accordance with GAAP in this Quarterly Report.

There are significant limitations to using Adjusted EBITDA as a financial measure including, but not limited to, it not reflecting the cost of cash expenditures for capital assets or certain other contractual commitments, finance lease obligation and debt service expenses, income taxes, and any impacts from changes in working capital.

We define Adjusted EBITDA as a consolidated measure inclusive of continuing and discontinued operations results, which we reconcile by adding Net income (loss) from continuing operations, less net income attributable to noncontrolling interests, plus Total other expense, net and (Benefit) provision for income taxes, plus Depreciation and amortization calculated in accordance with GAAP, plus non-GAAP adjustments for Share-based compensation, Restructuring, acquisition and integration related expenses, Goodwill and asset impairment charges, Loss (gain) on sale of assets, certain legal charges and gains, certain other non-cash charges or items, as determined by management, plus Adjusted EBITDA of discontinued operations calculated in a manner consistent with the results of continuing operations, outlined above.

Assessment of Our Business Results

The following table sets forth a summary of our results of operations and Adjusted EBITDA for the periods indicated. We have revised the following table for the presentation of Retail within continuing operations discussed in Note 1—Significant Accounting Policies in Part II, Item 8 of the Annual Report on Form 10-K.

<i>(in thousands)</i>	13-Week Period Ended			26-Week Period Ended		
	January 30, 2021	February 1, 2020	Change	January 30, 2021	February 1, 2020	Change
Net sales	\$ 6,888,133	\$ 6,431,382	\$ 456,751	\$ 13,560,740	\$ 12,727,994	\$ 832,746
Cost of sales	5,897,774	5,514,057	383,717	11,603,882	10,903,458	700,424
Gross profit	990,359	917,325	73,034	1,956,858	1,824,536	132,322
Operating expenses	866,880	862,732	4,148	1,767,842	1,746,420	21,422
Goodwill and asset impairment charges	—	—	—	—	425,405	(425,405)
Restructuring, acquisition and integration related expenses	17,783	36,522	(18,739)	34,211	51,194	(16,983)
Loss on sale of assets	399	524	(125)	169	434	(265)
Operating income (loss)	105,297	17,547	87,750	154,636	(398,917)	553,553
Other expense (income):						
Net periodic benefit income, excluding service cost	(17,127)	(3,277)	(13,850)	(34,160)	(14,661)	(19,499)
Interest expense, net	50,944	48,836	2,108	120,077	98,545	21,532
Other, net	(1,674)	(1,220)	(454)	(2,472)	(1,620)	(852)
Total other expense, net	32,143	44,339	(12,196)	83,445	82,264	1,181
Income (loss) from continuing operations before income taxes	73,154	(26,792)	99,946	71,191	(481,181)	552,372
Provision (benefit) for income taxes	16,392	(12,808)	29,200	15,401	(79,763)	95,164
Net income (loss) from continuing operations	56,762	(13,984)	70,746	55,790	(401,418)	457,208
Income (loss) from discontinued operations, net of tax	3,803	(16,076)	19,879	5,099	(12,050)	17,149
Net income (loss) including noncontrolling interests	60,565	(30,060)	90,625	60,889	(413,468)	474,357
Less net income attributable to noncontrolling interests	(1,605)	(650)	(955)	(2,972)	(1,169)	(1,803)
Net income (loss) attributable to United Natural Foods, Inc.	\$ 58,960	\$ (30,710)	\$ 89,670	\$ 57,917	\$ (414,637)	\$ 472,554
Adjusted EBITDA	\$ 206,295	\$ 131,110	\$ 75,185	\$ 365,252	\$ 252,804	\$ 112,448

The following table reconciles Adjusted EBITDA to Net income (loss) from continuing operations and to Income (loss) from discontinued operations, net of tax.

<i>(in thousands)</i>	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net income (loss) from continuing operations	\$ 56,762	\$ (13,984)	\$ 55,790	\$ (401,418)
Adjustments to continuing operations net income (loss):				
Less net income attributable to noncontrolling interests	(1,605)	(650)	(2,972)	(1,169)
Total other expense, net	32,143	44,339	83,445	82,264
Provision (benefit) for income taxes	16,392	(12,808)	15,401	(79,763)
Depreciation and amortization	66,534	69,219	143,723	144,360
Share-based compensation	12,673	5,134	26,822	9,059
Goodwill and asset impairment charges ⁽¹⁾	—	—	—	425,405
Restructuring, acquisition and integration related expenses ⁽²⁾	17,783	36,522	34,211	51,194
Loss on sale of assets	399	524	169	434
Note receivable charges ⁽³⁾	—	—	—	12,516
Legal (settlement income) reserve charge ⁽⁴⁾	—	(654)	—	1,196
Other retail expense ⁽⁵⁾	1,394	—	3,003	—
Adjusted EBITDA of continuing operations	202,475	127,642	359,592	244,078
Adjusted EBITDA of discontinued operations ⁽⁶⁾	3,820	3,468	5,660	8,726
Adjusted EBITDA	\$ 206,295	\$ 131,110	\$ 365,252	\$ 252,804
Income (loss) from discontinued operations, net of tax	\$ 3,803	\$ (16,076)	\$ 5,099	\$ (12,050)
Adjustments to discontinued operations net income:				
Total other expense, net	—	(3)	—	(64)
Benefit for income taxes	(898)	(4,635)	(372)	(3,342)
Restructuring, store closure and other charges, net	915	24,182	933	24,182
Adjusted EBITDA of discontinued operations	\$ 3,820	\$ 3,468	\$ 5,660	\$ 8,726

- (1) Fiscal 2020 reflects a goodwill impairment charge attributable to a reorganization of our reporting units and a sustained decrease in market capitalization and enterprise value of the Company, resulting in a decline in the estimated fair value of the U.S. Wholesale reporting unit. In addition, this charge includes a goodwill finalization charge attributable to the Supervalu acquisition and an asset impairment charge.
- (2) Fiscal 2021 primarily reflects costs associated with advisory and transformational activities as we position our business for further value-creation post Supervalu acquisition. Fiscal 2020 primarily reflects integration charges, closed property reserve charges and administrative and operational restructuring costs. Refer to Note 4—Restructuring, Acquisition and Integration Related Expenses in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.
- (3) Reflects reserves and charges for notes receivable issued by the Supervalu business prior to its acquisition to finance the purchase of stores by its customers.
- (4) Reflects a charge to settle a legal proceeding, net of income received to settle a separate legal proceeding.
- (5) Reflects expenses associated with event-specific damages to certain retail stores.
- (6) We believe the inclusion of discontinued operations results within Adjusted EBITDA provides investors a meaningful measure of total performance.

RESULTS OF OPERATIONS

Net Sales

Our net sales by customer channel was as follows (in millions except percentages):

Customer Channel ⁽¹⁾	Net Sales for the 13-Week Period Ended				Net Sales for the 26-Week Period Ended			
	January 30, 2021		February 1, 2020		January 30, 2021		February 1, 2020	
			\$	%	\$	%	\$	%
Chains	\$ 3,097	\$ 2,909	\$ 188	6 %	\$ 6,117	\$ 5,784	\$ 333	6 %
Independent retailers	1,701	1,561	140	9 %	3,373	3,118	255	8 %
Supernatural	1,298	1,211	87	7 %	2,512	2,322	190	8 %
Retail	621	539	82	15 %	1,216	1,054	162	15 %
Other	568	566	2	— %	1,149	1,156	(7)	(1)%
Eliminations	(397)	(355)	(42)	12 %	(806)	(706)	(100)	14 %
Total net sales	\$ 6,888	\$ 6,431	\$ 457	7 %	\$ 13,561	\$ 12,728	\$ 833	7 %

(1) Refer to Note 3—Revenue Recognition in Part 1, Item 1 of this Quarterly Report on Form 10-Q for our channel definitions and for information regarding the recast of sales by customer channel to align with the current period presentation.

Second Quarter

Our net sales for the second quarter of fiscal 2021 increased approximately 7.1% from the second quarter of fiscal 2020. The increase in net sales was primarily driven by strong customer demand in response to the pandemic as well as the benefits from cross selling, which was partially offset by lower sales from previously lost customers and stores prior to the pandemic.

Chains net sales increased primarily due to growth in sales to existing customers, including demand for center store and natural products driven by customers' response to the pandemic, partially offset by lower sales from customers and stores lost prior to the pandemic.

Independent retailers net sales increased primarily due to growth in sales to existing customers, including demand for center store and natural products driven by customers response to the pandemic, partially offset by lower sales from previously lost customers and stores prior to the pandemic.

Supernatural net sales increased primarily due to increased sales related to the pandemic, growth in existing and new product categories, and increased sales to existing and new stores, partially offset by the impact of categories that have been adversely impacted by the pandemic, such as bulk and ingredients used for prepared foods. Net sales within our supernatural channel do not include net sales to Amazon.com, Inc. in either the current period or the prior period, as these net sales are reported in our other channel.

Retail's net sales increased primarily due to a 15.3% increase in identical store sales from higher average basket sizes related to the pandemic. Retail identical store sales are defined as net product sales from stores operating since the beginning of the prior-year period, including store expansions and excluding fuel costs and announced planned store dispositions. Identical store sales is a common metric used to understand the sales performance of retail stores as it removes the impact of new and closed stores. The increase in Retail sales included the benefit of a 187% increase in eCommerce sales at Cub Foods.

Other net sales increased primarily due to higher eCommerce sales, which were primarily offset by a 41% (or \$42 million) decline in sales to food service customers resulting from the lower purchases due to the pandemic.

Year-to-Date

Our net sales for fiscal 2021 year-to-date increased approximately 6.5% from fiscal 2020 year-to-date. The increase in net sales was primarily driven by strong customer demand in response to the pandemic as well as the benefits from cross selling, which was partially offset by lower sales from previously lost customers and stores prior to the pandemic.

Chains net sales increased primarily due to growth in sales to existing customers, including demand for center store and natural products driven by customers' response to the pandemic, partially offset by lower sales from customers and stores lost prior to the pandemic.

Independent retailers net sales increased primarily due to growth in sales to existing customers, including demand for center store and natural products driven by customers response to the pandemic, partially offset by lower sales from previously lost customers and stores prior to the pandemic.

Supernatural net sales increased primarily due to increased sales related to the pandemic, growth in existing and new product categories, and increased sales to existing and new stores, partially offset by the impact of categories that have been adversely impacted by the pandemic, such as bulk and ingredients used for prepared foods.

Retail's net sales increased primarily due to a 15.5% increase in identical store sales from higher average basket sizes related to the pandemic. The increase in Retail sales included the benefit of a 191% increase in eCommerce sales at Cub Foods.

Other net sales decreased primarily due to a 41% (or \$90 million) decline in sales to food service customers resulting from the lower purchases due to the pandemic, which were partially offset by higher eCommerce sales.

Cost of Sales and Gross Profit

Our gross profit increased \$73.0 million, or 8.0%, to \$990.4 million for the second quarter of fiscal 2021, from \$917.3 million for the second quarter of fiscal 2020. Our gross profit as a percentage of net sales increased to 14.38% for the second quarter of fiscal 2021 compared to 14.26% for the second quarter of fiscal 2020. The increase in gross profit dollar growth was primarily driven by higher Wholesale and Retail sales volume. The 12 basis point increase in gross profit rate was driven by an increase from Retail, which contributed approximately 0.13% to the growth in the consolidated gross margin rate as a result of lower Retail promotional spending and the Retail segment representing a greater percentage of total net sales. Wholesale and the remaining business's gross margin rate was approximately flat and included the benefits of lower shrink offset by lower levels of supplier-related income. Included in gross margin for the second quarter of fiscal 2020 was inventory shrink expense of approximately \$4.2 million, or 0.07% of net sales, associated with customer bankruptcies.

Our gross profit increased \$132.3 million, or 7.3%, to \$1,956.9 million for fiscal 2021 year-to-date, from \$1,824.5 million for fiscal 2020 year-to-date. Our gross profit as a percentage of net sales increased to 14.43% for fiscal 2021 year-to-date compared to 14.33% for fiscal 2020 year-to-date. The increase in gross profit dollar growth for fiscal 2021 year-to-date when compared to fiscal 2020 year-to-date was primarily driven by higher Wholesale and Retail sales volume. The increase in gross profit rate was driven by a mix increase from Retail resulting from lower promotional spending, and the Retail segment representing a greater percentage of total net sales. In addition, gross profit included lower levels of supplier-related income, partially offset by the benefits of lower shrink.

Operating Expenses

Operating expenses increased \$4.1 million, or 0.5%, to \$866.9 million, or 12.59% of net sales, for the second quarter of fiscal 2021 compared to \$862.7 million, or 13.41% of net sales, for the second quarter of fiscal 2020. Operating expenses in the second quarter of fiscal 2020 included \$28.9 million of bad debt expense associated with customer bankruptcies. The remaining decrease in operating expenses as a percent of net sales resulted from leveraging fixed operating expenses over higher net sales and lower benefit costs. Total operating expenses also included share-based compensation expense of \$12.7 million and \$5.1 million for the second quarters of fiscal 2021 and 2020, respectively.

Operating expenses increased \$21.4 million, or 1.2%, to \$1,767.8 million, or 13.04% of net sales, for fiscal 2021 year-to-date compared to \$1,746.4 million, or 13.72% of net sales, for fiscal 2020 year-to-date. Operating expenses in fiscal 2020 year-to-date included \$28.9 million of bad debt expense associated with customer bankruptcies, and \$18.8 million of charges and expenses, primarily related to customer notes receivable, surplus property depreciation and a legal reserve charge. The remaining decrease in operating expenses as a percent of net sales was driven by leveraging fixed operating expenses over higher net sales and lower benefit costs, which was partially offset by higher operating costs related to starting up three distribution centers. Total operating expenses also included share-based compensation expense of \$26.8 million and \$9.1 million for fiscal 2021 and 2020 year-to-date, respectively.

Goodwill and Asset Impairment Charges

Goodwill and asset impairment charges of \$425.4 million were recorded for fiscal 2020 year-to-date, which reflects \$421.5 million from an impairment charge on the remaining goodwill attributable to the U.S. Wholesale goodwill reporting unit, \$2.5 million related to purchase accounting adjustments to finalize the opening balance sheet goodwill and \$1.4 million of other asset impairment charges.

Restructuring, Acquisition and Integration Related Expenses

Restructuring, acquisition and integration related expenses were \$17.8 million for the second quarter of fiscal 2021, which included \$14.7 million of restructuring and integration costs primarily reflecting costs associated with advisory and transformational activities as we position our business for further value creation post Supervalu acquisition and \$3.1 million of closed property charges and costs. Expenses for the second quarter of fiscal 2020 were \$36.5 million, which included \$20.4 million of closed property charges and costs primarily related to lease asset impairments on Shoppers store and surplus properties exits, \$15.4 million of integration related costs primarily related to a multiemployer pension plan withdrawal obligation resulting from distribution center consolidation and \$0.7 million of restructuring costs.

Restructuring, acquisition and integration related expenses were \$34.2 million for fiscal 2021 year-to-date, which included \$29.4 million of restructuring and integration costs primarily reflecting costs associated with advisory and transformational activities as we position our business for further value creation post Supervalu acquisition and \$4.8 million of closed property charges and costs. Expenses for fiscal 2020 year-to-date were \$51.2 million, which included \$24.7 million of integration costs including a multiemployer pension plan withdrawal obligation resulting from distribution center consolidation and a charge for an off-site storage contract, \$24.0 million closed property charges and costs primarily related to lease asset impairments on surplus properties and Shoppers store lease exits and \$2.5 million of restructuring costs.

We expect to incur additional costs associated with advisory and integration activities, and distribution center integration costs throughout fiscal 2021 related to our operational restructuring to achieve cost synergies and supply chain efficiencies within continuing operations.

Operating Income (Loss)

Reflecting the factors described above, operating income increased \$87.8 million to \$105.3 million for the second quarter of fiscal 2021, compared to \$17.5 million for the second quarter of fiscal 2020. The operating income increase was primarily driven by an increase in gross profit in excess of operating expenses and lower Restructuring, acquisition and integration related expenses discussed above.

Reflecting the factors described above, operating income increased \$553.6 million, to \$154.6 million for fiscal 2021 year-to-date, from an operating loss of \$398.9 million for fiscal 2020 year-to-date. The increase in operating income was primarily driven by the fiscal 2020 goodwill impairment charge, an increase in gross profit in excess of operating expenses and lower Restructuring, acquisition and integration related expenses discussed above.

Total Other Expense, Net

<i>(in thousands)</i>	13-Week Period Ended		26-Week Period Ended	
	January 30, 2021	February 1, 2020	January 30, 2021	February 1, 2020
Net periodic benefit income, excluding service cost	\$ (17,127)	\$ (3,277)	\$ (34,160)	\$ (14,661)
Interest expense on long-term debt, net of capitalized interest	37,793	43,137	74,989	86,676
Interest expense on finance lease obligations	4,678	2,020	9,546	4,263
Amortization of financing costs and discounts	3,010	3,790	7,009	7,733
Loss on debt extinguishment	5,744	—	29,494	73
Interest income	(281)	(111)	(961)	(200)
Interest expense, net	50,944	48,836	120,077	98,545
Other, net	(1,674)	(1,220)	(2,472)	(1,620)
Total other expense, net	\$ 32,143	\$ 44,339	\$ 83,445	\$ 82,264

The increase in net periodic benefit income, excluding service costs in the second quarter of fiscal 2021 and year-to-date fiscal 2021 reflects the recognition of lower interest costs due to a lower discount rate utilized in the measurement of pension liabilities.

The decrease in interest expense on long-term debt, net of capitalized interest, in the second quarter of fiscal 2021 and year-to-date fiscal 2021 was driven by lower amounts of outstanding debt.

The increase in loss on debt extinguishment costs primarily reflects the acceleration of unamortized debt issuance costs and original issue discounts related to mandatory and voluntary prepayments on the Term Loan Facility made in the second quarter of fiscal 2021 and fiscal 2021 year-to-date. Refer to Note 8—Long-Term Debt for further information.

The increase in interest expense on finance leases in the second quarter of fiscal 2021 and year-to-date fiscal 2021 primarily reflects interest related to a distribution center for which we executed a purchase option with a delayed purchase provision.

Provision (Benefit) for Income Taxes

The effective income tax rate for continuing operations was an expense of 22.4% on pre-tax income compared to a benefit of 47.8% on pre-tax losses for the second quarters of fiscal 2021 and 2020, respectively. The change in the effective income tax rate for the second quarter of fiscal 2021 was primarily driven by a pre-tax loss of approximately \$26.8 million in the second quarter of fiscal 2020 compared to pre-tax income of approximately \$73.2 million in the second quarter of fiscal 2021. In addition, the change in the rate is partially driven by a discrete tax benefit of approximately \$2.8 million in the second quarter of fiscal 2021 related to the release of unrecognized tax positions versus a discrete tax benefit of approximately \$0.5 million for this item in the second quarter of fiscal 2020. The tax provision had \$3.1 million and \$0.1 million of discrete tax benefits, including those mentioned above, for the second quarters of fiscal 2021 and fiscal 2020, respectively.

The effective income tax rate for continuing operations was an expense of 21.6% on pre-tax income compared to a benefit of 16.6% on pre-tax losses for fiscal 2021 year-to-date and fiscal 2020 year-to-date, respectively. The change in the effective income tax rate was primarily driven by a discrete tax benefit in fiscal 2021 year-to-date for employee stock vestings versus a discrete tax expense for this item in fiscal 2020 year-to-date, as well as a discrete tax benefit for the release of unrecognized tax positions in fiscal 2021 year-to-date versus a discrete tax expense for this item in fiscal 2020 year-to-date. In addition, fiscal 2020 year-to-date was impacted by a goodwill impairment charge that did not repeat in fiscal 2021 year-to-date. The tax provision had \$3.5 million and \$64.4 million of discrete tax benefits for fiscal 2021 and fiscal 2020 year-to-date, respectively.

Income (Loss) from Discontinued Operations, Net of Tax

The results of operations for the second quarter of fiscal 2021 reflect net sales of \$23.0 million for which we recognized \$7.2 million of gross profit and Income (loss) from discontinued operations, net of tax of \$3.8 million. Net sales and gross profit of discontinued operations decreased \$52.1 million and \$11.3 million, respectively, for the second quarter of fiscal 2021 as compared to the second quarter of fiscal 2020 primarily due to a lower operating store base due to closures and sales that occurred in fiscal 2020, which was partially offset by an increase in identical store sales results driven by the impacts of the pandemic.

The results of operations for fiscal 2021 year-to-date reflect net sales of \$47.8 million for which we recognized \$15.3 million of gross profit and Income (loss) from discontinued operations, net of tax of \$5.1 million. Net sales and gross profit of discontinued operations decreased \$122.9 million and \$33.8 million, respectively, for the fiscal 2021 year-to-date as compared to fiscal 2020 year-to-date primarily due to a lower operating store base due to closures and sales that occurred in fiscal 2020 year-to-date, which was partially offset by an increase in identical store sales results driven by the impacts of the pandemic. Discontinued operations for fiscal 2020 year-to-date included \$24.2 million of charges and costs primarily related to store closures charges and expenses, and asset impairment charges related to exited locations.

Refer to the section above Executive Overview—Divestiture of Retail Operations and to Note 16—Discontinued Operations in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional financial information regarding these discontinued operations.

Net Income (Loss) Attributable to United Natural Foods, Inc.

Reflecting the factors described in more detail above, Net income attributable to United Natural Foods, Inc. was \$59.0 million, or \$1.00 per diluted common share, for the second quarter of fiscal 2021, compared to a net loss of \$30.7 million, or \$0.57 loss per diluted common share, for the second quarter of fiscal 2020.

Reflecting the factors described in more detail above, Net income attributable to United Natural Foods, Inc. was \$57.9 million, or \$0.98 per diluted common share, for fiscal 2021 year-to-date, compared to a net loss of 414.6 million, or \$7.77 loss per diluted common share, for fiscal 2020 year-to-date, which was driven lower due to goodwill impairment charges.

As described in more detail in Note 10—Share-Based Awards in Part I, Item I of this Quarterly Report on Form 10-Q, in fiscal 2021 year-to-date, we granted restricted stock units and performance share units representing a right to receive an aggregate of 2.6 million shares of common stock under our 2020 Equity Incentive Plan.

LIQUIDITY AND CAPITAL RESOURCES

Highlights

- Total liquidity as of January 30, 2021 was \$1.16 billion and consisted of the following:
 - Unused credit under our ABL Credit Facility was \$1,117.8 million, which decreased \$117.0 million from \$1,234.8 million as of August 1, 2020, primarily due to an incremental borrowing under the ABL Credit Facility in the second quarter of fiscal 2021 to fund the voluntary prepayment of \$150.0 million on the Term Loan Facility.
 - Cash and cash equivalents was \$40.5 million, which decreased \$6.5 million from \$47.0 million as of August 1, 2020.
- Our total debt decreased \$110.4 million to \$2,387.2 million as of January 30, 2021 from \$2,497.6 million as of August 1, 2020, primarily driven by net positive cash flows from operating activities, partially offset by cash capital expenditures, during fiscal 2021 year-to-date.
- Subsequent to the end of the second quarter of fiscal 2021, we amended our Term Loan Agreement which, among other things, reduced the applicable margin for LIBOR and base rate loans under the Term Loan Facility by 75 basis points.
- In the second quarter of fiscal 2021, we made a voluntary prepayment of \$150.0 million on the Term Loan Facility funded with incremental borrowings under the ABL Credit Facility that will reduce our interest costs. This prepayment will count towards satisfying any requirement to make a mandatory prepayment with Excess Cash Flow (as defined in the Term Loan Agreement) generated during fiscal 2021, if any, which would be due in fiscal 2022.
- In the first quarter of fiscal 2021, we issued \$500.0 million of unsecured 6.750% Senior Notes due October 15, 2028 (the “Senior Notes”) and utilized the net proceeds and borrowings under the ABL Credit Facility to make a \$500.0 million prepayment on our Term Loan Facility. In addition, during the first quarter of fiscal 2021, the Company made \$108.0 million of additional repayments under the Term Loan Facility, including \$72.0 million related to cash flow generated in fiscal 2020, as required under the Term Loan Agreement and a voluntary prepayment of \$36.0 million with incremental borrowings under the ABL Credit Facility. Other debt maturities are expected to be \$6.5 million in fiscal 2021. We are also obligated to make payments to reduce finance lease obligations. Proceeds from the sale of any properties mortgaged and encumbered under our Term Loan Facility are required to be used to make additional Term Loan Facility payments or to be reinvested in the business.
- We expect to be able to fund near-term debt maturities through fiscal 2023 with internally generated funds, proceeds from asset sales or borrowings under the ABL Credit Facility, which expires in fiscal 2024.
- Working capital increased \$20.2 million to \$1,355.1 million as of January 30, 2021 from \$1,334.8 million as of August 1, 2020, primarily due to a reduction of the current portion of long-term debt resulting from the Term Loan Facility Excess Cash Flow prepayment described above.

Sources and Uses of Cash

We expect to continue to replenish operating assets and pay down debt obligations with internally generated funds and sale of surplus and/or non-core assets. A significant reduction in operating earnings or the incurrence of operating losses could have a negative impact on our operating cash flow, which may limit our ability to pay down our outstanding indebtedness as planned. Our credit facilities are secured by a substantial portion of our total assets.

Our primary sources of liquidity are from internally generated funds and from borrowing capacity under our credit facilities. Our short-term and long-term financing abilities are believed to be adequate as a supplement to internally generated cash flows to satisfy debt obligations and fund capital expenditures as opportunities arise. Our continued access to short-term and long-term financing through credit markets depends on numerous factors, including the condition of the credit markets and our results of operations, cash flows, financial position and credit ratings.

Primary uses of cash include debt service, capital expenditures, working capital maintenance and income tax payments. We typically finance working capital needs with cash provided from operating activities and short-term borrowings. Inventories are managed primarily through demand forecasting and replenishing depleted inventories.

We currently do not pay a dividend on our common stock, and have no current plans to do so. In addition, we are limited in the aggregate amount of dividends that we may pay under the terms of our Term Loan Facility, ABL Credit Facility, and Senior Notes. Subject to certain limitations contained in our debt agreements and as market conditions warrant, we may from time to time refinance indebtedness that we have incurred, including through the incurrence or repayment of loans under existing or new credit facilities or the issuance or repayment of debt securities.

Long-Term Debt

During fiscal 2021 year-to-date, we borrowed a net \$128.3 million under the ABL Credit Facility, repaid \$758.0 million on the Term Loan Facility related to mandatory prepayments and voluntary prepayments, and issued \$500.0 million of Senior Notes. Refer to Note 8—Long-Term Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q for a detailed discussion of the provisions of our credit facilities and certain long-term debt agreements and additional information.

Our Term Loan Agreement and Senior Notes do not include any financial maintenance covenants. Our ABL Loan Agreement subjects us to a fixed charge coverage ratio (as defined in the ABL Loan Agreement) of at least 1.0 to 1.0 calculated at the end of each of our fiscal quarters on a rolling four quarter basis, if the adjusted aggregate availability (as defined in the ABL Loan Agreement) is ever less than the greater of (i) \$235.0 million and (ii) 10% of the aggregate borrowing base. We have not been subject to the fixed charge coverage ratio covenant under the ABL Loan Agreement, including through the filing date of this Quarterly Report. The Term Loan Agreement, ABL Loan Agreement and Senior Notes contain certain operational and informational covenants customary for debt securities of these types that limit the ability of the Company and its restricted subsidiaries to, among other things, incur debt, declare or pay dividends or make other distributions to stockholders of the Company, transfer or sell assets, create liens on our assets, engage in transactions with affiliates, and merge, consolidate or sell all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis. We were in compliance with all such covenants for all periods presented. If we fail to comply with any of these covenants, we may be in default under the applicable loan agreement, and all amounts due thereunder may become immediately due and payable.

Derivatives and Hedging Activity

We enter into interest rate swap contracts from time to time to mitigate our exposure to changes in market interest rates as part of our overall strategy to manage our debt portfolio to achieve an overall desired position of notional debt amounts subject to fixed and floating interest rates. Interest rate swap contracts are entered into for periods consistent with related underlying exposures and do not constitute positions independent of those exposures.

As of January 30, 2021, we had an aggregate of \$1,485.0 million of floating rate notional debt subject to active interest rate swap contracts, which effectively hedge the LIBOR component of our interest rate payments through pay fixed and receive floating interest rate swap agreements. These fixed rates range from 1.795% to 2.959%, with maturities between April 2022 and October 2025. The fair value of these interest rate derivatives represents a total net liability of \$101.2 million and are subject to volatility based on changes in market interest rates. See Note 7—Derivatives in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

In the first quarter of fiscal 2021, we paid \$11.3 million to terminate \$954.0 million of notional value interest rate swaps, \$504.0 million of which were effective interest swaps and \$450.0 million of which were forward starting. The termination payment reflects the amount of accumulated other comprehensive loss that will continue to be amortized into interest expense over the original interest rate swap contract terms as long as the hedged interest rate transactions are still probable of occurring.

From time to time, we enter into fixed price fuel supply agreements and foreign currency hedges. As of January 30, 2021, we had fixed price fuel contracts outstanding and foreign currency forward agreements outstanding. Gains and losses and the outstanding net liability from these arrangements are insignificant.

Capital Expenditures

Our capital expenditures for fiscal 2021 year-to-date were \$91.5 million, compared to \$91.1 million for fiscal 2020 year-to-date, an increase of \$0.4 million. In fiscal 2021 year-to-date, our capital expenditures principally included information technology and supply chain expenditures. Fiscal 2021 capital spending is expected to be in the range of \$250 million to \$300 million and include projects that optimize and expand our distribution network and our technology platform. Longer term, capital spending is expected to be at or below 1.0% of net sales. We expect to finance requirements with cash generated from operations and borrowings under our ABL Credit Facility. Future investments may be financed through long-term debt or borrowings under our ABL Credit Facility.

Cash Flow Information

The following summarizes our Condensed Consolidated Statements of Cash Flows:

<i>(in thousands)</i>	26-Week Period Ended		
	January 30, 2021	February 1, 2020	Change
Net cash provided by operating activities of continuing operations	\$ 205,675	\$ 34,730	\$ 170,945
Net cash used in investing activities of continuing operations	(51,705)	(80,270)	28,565
Net cash (used in) provided by financing activities of continuing operations	(163,492)	15,649	(179,141)
Net cash provided by discontinued operations	2,791	26,937	(24,146)
Effect of exchange rate on cash	265	19	246
Net decrease in cash and cash equivalents	(6,466)	(2,935)	(3,531)
Cash and cash equivalents, at beginning of period	47,117	45,263	1,854
Cash and cash equivalents, at end of period	<u>\$ 40,651</u>	<u>\$ 42,328</u>	<u>\$ (1,677)</u>

The increase in net cash provided by operating activities of continuing operations for fiscal 2021 year-to-date compared to fiscal 2020 year-to-date was primarily due to lower cash utilized to build inventories, and higher earnings before taxes, depreciation and amortization, and impairments.

The decrease in net cash used in investing activities of continuing operations for fiscal 2021 year-to-date compared to fiscal 2020 year-to-date was primarily due to higher cash proceeds for the sale of property and equipment.

The increase in net cash used in financing activities of continuing operations for fiscal 2021 year-to-date compared to fiscal 2020 year-to-date was primarily due to higher payments of long-term debt attributable to the mandatory and voluntary prepayments on the Term Loan Facility, partially offset by new borrowings from the Senior Notes.

The decrease in cash flows from discontinued operations for fiscal 2021 year-to-date compared to fiscal 2020 year-to-date was primarily due to lower investing activities cash flow from the sale of property.

Other

On October 6, 2017, we announced that our Board of Directors authorized a share repurchase program for up to \$200.0 million of our outstanding common stock. The repurchase program is scheduled to expire upon our repurchase of shares of our common stock having an aggregate purchase price of \$200.0 million. We did not purchase any shares of our common stock in fiscal 2021 and 2020 year-to-date pursuant to the share repurchase program. As of January 30, 2021, we have \$175.8 million remaining authorized under the share repurchase program. We do not expect to purchase shares under the share repurchase program during fiscal 2021. Additionally, our ABL Credit Facility, Term Loan Facility, and Senior Notes contain terms that limit our ability to repurchase shares of common stock above certain levels unless certain conditions and financial tests are met.

Pension and Other Postretirement Benefit Obligations

In fiscal 2021, no pension contributions are required to be made under either the SUPERVALU Inc. Retirement Plan or the Unified Grocers, Inc. Cash Balance Plan under Employee Retirement Income Security Act of 1974, as amended (“ERISA”). We anticipate fiscal 2021 non-qualified pension contributions and other postretirement benefit plan contributions to be approximately \$5.3 million. We fund our defined benefit pension plans based on the minimum contribution amount required under ERISA, the Pension Protection Act of 2006 and other applicable laws, as determined by us, including our external actuarial consultant, and additional contributions made at our discretion. We may accelerate contributions or undertake contributions in excess of the minimum requirements from time to time subject to the availability of cash in excess of operating and financing needs or other factors as may be applicable. We assess the relative attractiveness of the use of cash to accelerate contributions considering such factors as expected return on assets, discount rates, cost of debt, reducing or eliminating required Pension Benefit Guaranty Corporation variable rate premiums, or in order to achieve exemption from participant notices of underfunding.

Segment Results of Operations

In evaluating financial performance in each business segment, management primarily uses Net sales and Adjusted EBITDA of its business segments as discussed and reconciled within Note 14—Business Segments within Part I, Item 1 of this Quarterly Report on Form 10-Q and the above table within the Executive Overview section. The following tables set forth Net sales and Adjusted EBITDA by segment for the periods indicated.

<i>(in thousands)</i>	13-Week Period Ended			26-Week Period Ended		
	January 30, 2021	February 1, 2020	Change	January 30, 2021	February 1, 2020	Change
Net sales:						
Wholesale	\$ 6,608,775	\$ 6,206,918	\$ 401,857	\$ 13,040,058	\$ 12,274,225	\$ 765,833
Retail	620,871	538,629	82,242	1,215,782	1,053,855	161,927
Other	55,428	41,073	14,355	111,040	106,152	4,888
Eliminations	(396,941)	(355,238)	(41,703)	(806,140)	(706,238)	(99,902)
Total Net sales	\$ 6,888,133	\$ 6,431,382	\$ 456,751	\$ 13,560,740	\$ 12,727,994	\$ 832,746
Continuing operations Adjusted EBITDA:						
Wholesale	\$ 186,768	\$ 102,454	\$ 84,314	\$ 309,729	\$ 208,766	\$ 100,963
Retail	25,330	11,428	13,902	49,612	21,990	27,622
Other	(7,845)	14,425	(22,270)	(3,695)	12,828	(16,523)
Eliminations	(1,778)	(665)	(1,113)	3,946	494	3,452
Total continuing operations Adjusted EBITDA	\$ 202,475	\$ 127,642	\$ 74,833	\$ 359,592	\$ 244,078	\$ 115,514

Net Sales

Second Quarter

Wholesale’s net sales increased primarily due to growth in sales to existing customers in the Chains, Independent retailers and Supernatural channels. Sales growth was primarily driven by strong customer demand in response to the pandemic as well as the benefits from cross selling, which was partially offset by lower sales from previously lost customers and stores prior to the pandemic.

Retail’s net sales increased primarily due to a 15.3% increase in identical store sales from higher average basket sizes related to the pandemic.

The increase in eliminations net sales was driven by higher Wholesale sales to Retail to support Retail’s continued sales growth.

Year-to-Date

Wholesale’s net sales increased primarily due to growth in sales to existing customers in the Chains, Independent retailers and Supernatural channels. Sales growth was primarily driven by strong customer demand in response to the pandemic as well as the benefits from cross selling, which was partially offset by lower sales from previously lost customers and stores prior to the pandemic.

Retail's net sales increased primarily due to a 15.5% increase in identical store sales from higher average basket sizes related to the pandemic.

The increase in eliminations net sales was driven by higher Wholesale sales to Retail to support Retail's continued sales growth.

Adjusted EBITDA

Second Quarter

Wholesale's Adjusted EBITDA increased 82.3% for the second quarter of fiscal 2021 from the second quarter of fiscal 2020. The increase was driven by leveraged sales growth. Wholesale's gross profit dollar growth for the second quarter of fiscal 2021 was \$49.5 million and gross profit rate was flat to the second quarter of fiscal 2020; however, it included the benefits of lower shrink offset by lower levels of supplier-related income. Wholesale's operating expense, excluding depreciation and amortization and stock-based compensation, decreased \$34.8 million driven by \$28.9 million of lower bad debt expense associated with customer bankruptcies. Wholesale's operating expense rate decreased 117 basis points primarily driven by leveraging fixed and variable costs, and lower bad debt expense. Wholesale depreciation expense decreased \$7.0 million compared to last year.

Retail's Adjusted EBITDA increased 121.6% for the second quarter of fiscal 2021 from the second quarter of fiscal 2020. The increase was driven by leveraged sales growth from increases in food-at-home purchases that drove sales at our stores. Wholesale's gross profit dollar growth for the second quarter of fiscal 2021 was \$26.3 million and gross profit rate increased 76 basis points from lower promotional activity. Retail's operating expense increased \$11.4 million, excluding depreciation and amortization and stock-based compensation, and operating expense rate decreased 133 basis points driven by fixed and variable cost leveraging. Retail's depreciation and amortization expense increased \$5.9 million primarily related to assets previously classified as held for sale that were moved to continuing operations in the fourth quarter of fiscal 2020 for which we are required to begin recording depreciation and amortization expense.

Year-To-Date

Wholesale's Adjusted EBITDA increased 48.4% for fiscal 2021 year-to-date from fiscal 2020 year-to-date. The increase was driven by leveraged sales growth, which was partially offset by higher operating costs related to starting up three distribution centers. Gross profit dollar growth for fiscal 2021 year-to-date was \$77.8 million and gross profit rate decreased 13 basis points driven by lower supplier income, partially offset by lower shrink. Wholesale's operating expense increased \$23.2 million, excluding depreciation and amortization and stock-based compensation. Wholesale's operating expense rate decreased 80 basis points primarily driven by leveraging fixed and variable costs, and lower bad debt expense, which was partially offset by higher operating costs related to starting up three distribution centers. Wholesale depreciation expense decreased \$7.2 million.

Retail's Adjusted EBITDA increased 125.6% for fiscal 2021 year-to-date from fiscal 2020 year-to-date. The increase was driven by leveraged sales growth from increases in food-at-home purchases that drove sales at our stores. Gross profit dollar growth for fiscal 2021 year-to-date was \$53.4 million and gross profit rate increased 87 basis points from lower promotional activity. Retail's operating expense increased \$23.9 million, excluding depreciation and amortization and stock-based compensation, and operating expense rate decreased 125 basis points driven by fixed and variable cost leveraging. Retail's depreciation and amortization expense increased \$11.9 million primarily related to assets previously classified as held for sale that were moved to continuing operations in the fourth quarter of fiscal 2020 for which we are required to begin recording depreciation and amortization expense.

COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Off-Balance Sheet Arrangements

Guarantees and Contingent Liabilities

We have outstanding guarantees related to certain leases, fixture financing loans and other debt obligations of various retailers as of January 30, 2021. We are contingently liable for leases that have been assigned to various parties in connection with facility closings and dispositions. We are also a party to a variety of contractual agreements under which we may be obligated to indemnify the other party for certain matters in the ordinary course of business, which indemnities may be secured by operation of law or otherwise. Refer to Note 15—Commitments, Contingencies and Off-Balance Sheet Arrangements under the caption *Guarantees and Contingent Liabilities* in Part I, Item I of this Quarterly Report on Form 10-Q for further information regarding our outstanding guarantees and contingent liabilities.

Multiemployer Benefit Plans

We contribute to various multiemployer pension plans under collective bargaining agreements, primarily defined benefit pension plans. These multiemployer plans generally provide retirement benefits to participants based on their service to contributing employers. The benefits are paid from assets held in trust for that purpose. Plan trustees typically are responsible for determining the level of benefits to be provided to participants as well as the investment of the assets and plan administration. Trustees are appointed in equal number by employers and unions that are parties to the collective bargaining agreement. Based on the assessment of the most recent information available from the multiemployer plans, we believe that most of the plans to which we contribute are underfunded. We are only one of a number of employers contributing to these plans and the underfunding is not a direct obligation or liability to us.

Our contributions can fluctuate from year to year due to store closures, employer participation within the respective plans and reductions in headcount. Our contributions to these plans could increase in the near term. However, the amount of any increase or decrease in contributions will depend on a variety of factors, including the results of our collective bargaining efforts, investment returns on the assets held in the plans, actions taken by the trustees who manage the plans and requirements under the Pension Protection Act of 2006, the Multiemployer Pension Reform Act and Section 412(e) of the Internal Revenue Code. Furthermore, if we were to significantly reduce contributions, exit certain markets or otherwise cease making contributions to these plans, we could trigger a partial or complete withdrawal that would require us to record a withdrawal liability. Expense is recognized in connection with these plans as contributions are funded, in accordance with GAAP. We made contributions to these plans, and recognized continuing and discontinued operations expense, of \$52 million in fiscal 2020. In fiscal 2021, we expect to contribute approximately \$45 million related to continuing and discontinued operations contributions to the multiemployer pension plans, subject to the outcome of collective bargaining and capital market conditions. Any withdrawal liability would be recorded when it is probable that a liability exists and can be reasonably estimated, in accordance with GAAP. Any triggered withdrawal obligation could result in a material charge and payment obligations that would be required to be made over an extended period of time.

We also make contributions to multiemployer health and welfare plans in amounts set forth in the related collective bargaining agreements. A small minority of collective bargaining agreements contain reserve requirements that may trigger unanticipated contributions resulting in increased healthcare expenses. If these healthcare provisions cannot be renegotiated in a manner that reduces the prospective healthcare cost as we intend, our Operating expenses could increase in the future.

Refer to Note 14—Benefit Plans in Part II, Item 8 of the Annual Report on Form 10-K for the fiscal year ended August 1, 2020 for additional information regarding the plans in which we participate.

Contractual Obligations

Except as otherwise disclosed in Note 8—Long-Term Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q, there have been no material changes in the Company's contractual obligations since the end of fiscal 2020. Refer to Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended August 1, 2020 for additional information regarding the Company's contractual obligations.

Critical Accounting Policies and Estimates

There were no material changes to our critical accounting policies during the period covered by this Quarterly Report on Form 10-Q. Refer to the description of critical accounting policies included in Item 7 of our Annual Report on Form 10-K for the fiscal year ended August 1, 2020.

Seasonality

Generally, we do not experience any material seasonality. However, our inventory levels and related demand for certain products of a seasonal nature may be influenced by holidays, changes in seasons or other annual events. In addition, our sales and operating results may vary significantly from quarter to quarter due to factors such as changes in our operating expenses, management's ability to execute our operating and growth strategies, demand for our products, supply shortages and general economic conditions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk results primarily from fluctuations in interest rates on our borrowings and our interest rate swap agreements, and price increases in diesel fuel. Except as described in Note 7—Derivatives and Note 8—Long-Term Debt in Part I, Item 1 of this Quarterly Report on Form 10-Q, which are incorporated herein, there have been no other material changes to our exposure to market risks from those disclosed in our Annual Report on Form 10-K for the fiscal year ended August 1, 2020.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q (the "Evaluation Date"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective.

(b) *Changes in internal controls.* There has been no change in our internal control over financial reporting that occurred during the second quarter of fiscal 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in routine litigation or other legal proceedings that arise in the ordinary course of our business, including investigations and claims regarding employment law, pension plans, unfair labor practices, labor union disputes, supplier, customer and service provider contract terms, real estate and antitrust. Other than as set forth below and in Note 15—Commitments, Contingencies and Off-Balance Sheet Arrangements in Part I, Item I of this Quarterly Report on Form 10-Q, which is incorporated herein, there are no pending material legal proceedings to which we are a party or to which our property is subject.

In 2016, as part of a hazardous waste enforcement campaign by the California Attorney General's Office and local district attorneys, Unified Grocers received a subpoena from the Yolo County District Attorney regarding hazardous waste management and storage at its Stockton and Commerce, California distribution centers. We have provided requested documents and cooperated fully with the investigation. On May 24, 2018, the District Attorney toured the Stockton distribution center and generally found the distribution center to be in compliance, and minor items noted regarding labeling have been addressed. In the second quarter of fiscal 2021, we negotiated a settlement with the District Attorney, which includes the payment of an immaterial amount for penalties and costs as well as certain agreed upon additional reporting and compliance obligations. The settlement is memorialized in a Stipulation for Entry of Final Judgment and Permanent Injunction signed by all parties. The Court entered the order approving the final judgment and injunction on December 10, 2020.

Item 1A. Risk Factors

There have been no material changes to our risk factors contained in Part I, Item 1A. Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended August 1, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On October 6, 2017, we announced that our Board of Directors authorized a share repurchase program for up to \$200.0 million of our outstanding common stock. The repurchase program is scheduled to expire upon our repurchase of shares of our common stock having an aggregate purchase price of \$200.0 million. Any repurchases will be made in accordance with applicable securities laws from time to time in the open market, through privately negotiated transactions, or otherwise. We do not expect to purchase shares under the share repurchase program during fiscal 2021. We may also implement all or part of the repurchase program pursuant to a plan or plans meeting the conditions of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

<i>(in millions, except shares and per share amounts)</i>	Total Number of Shares Purchased⁽²⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs⁽³⁾
Period ⁽¹⁾ :				
November 1, 2020 to December 5, 2020	320	\$ 16.62	—	\$ —
December 6, 2020 to January 2, 2021	1,655	15.63	—	—
January 3, 2021 to January 30, 2021	347	22.81	—	175.8
Total	<u>2,322</u>	<u>\$ 16.84</u>	<u>—</u>	<u>\$ —</u>

(1) The reported periods conform to our fiscal calendar.

(2) These amounts represent the deemed surrender by participants in our compensatory stock plans of 2,322 shares of our common stock to cover taxes from the vesting of restricted stock awards and restricted stock units granted under such plans.

(3) As of January 30, 2021, there was approximately \$175.8 million that may yet be purchased under the share repurchase program. There were no share repurchases under the share repurchase program in the second quarter of fiscal 2021.

Item 5. Other Information

On March 9, 2021, we entered into the Second Amendment to Mr. Spinner’s Amended and Restated Employment Agreement (“Employment Agreement”), which had been amended pursuant to the First Amendment entered into on February 6, 2020 (“First Amendment”). In the First Amendment, Mr. Spinner agreed to serve as the Company’s CEO until the earlier of July 31, 2021, or the appointment of a new CEO as his successor. The First Amendment set forth certain payments to Mr. Spinner in connection with his agreement to extend the Employment Agreement significantly beyond Mr. Spinner’s desired retirement date.

With the active continuation of the Company’s search for a CEO to replace Mr. Spinner, which, as previously announced, includes both internal and external candidates, the Board requested and Mr. Spinner has agreed, to extend the date of his services as either CEO, or after a new CEO is appointed, to provide consultancy services, as applicable, for an additional three months from the end of his current Employment Agreement (July 31, 2021), to October 31, 2021.

In particular, the Second Amendment provides that Mr. Spinner will continue to serve as CEO until his successor is appointed (the “Transition Date”), but no later than October 31, 2021; and, Mr. Spinner will, at the Company’s discretion, continue to serve as an executive management and board advisor for twelve months after the Transition Date. In exchange for Mr. Spinner agreeing to serve as the Company’s CEO until the Transition Date, and thereafter to provide consultancy services to the Company, if applicable, until at least October 31, 2021, and, at the Company’s discretion, for up to twelve months after the Transition Date, the Company has agreed, that:

- a. with respect to the Company’s 2021 fiscal year, Mr. Spinner’s annual cash incentive compensation (short-term bonus) that otherwise would be prorated under the First Amendment if Mr. Spinner ceased being CEO prior to July 31, 2021, will not be prorated regardless of when the Transition Date occurs;
- b. with respect to the Company’s 2022 fiscal year, provided that Mr. Spinner is serving as CEO on or after August 1, 2021, Mr. Spinner’s 2022 cash incentive compensation shall be prorated, on an annual basis based on the number of full calendar months elapsed in the fiscal year between August 1, 2021 and the Transition Date (three months maximum to October 31, 2021), based on Mr. Spinner’s cash incentive target of \$1,800,000;
- c. Mr. Spinner’s fiscal 2021 equity award under the long-term incentive plan, granted in October of 2020, that otherwise would be prorated under the First Amendment if Mr. Spinner ceased being CEO prior to October 12, 2021, will not be prorated regardless of when the Transition Date occurs; and
- d. as of the Transition Date, when Mr. Spinner ceases to be CEO, and begins to provide consultant services, his compensation as CEO shall end, except as described above, and he will receive, on an annualized basis, \$250,000 in consideration for the consultant services.

The Second Amendment also expressly provides that Mr. Spinner shall not be eligible for any additional equity grants under the long-term incentive plan whatsoever, for fiscal year 2022 or otherwise, even if he remains the Company's CEO after the fiscal year 2022 equity grant date on or about October 15, 2021. Except as described above, all of the other material terms of Mr. Spinner's Amended and Restated Employment Agreement remain substantially unchanged and in full force and effect. A copy of the Second Amendment to Amended and Restated Employment Agreement is filed herewith as Exhibit 10.11.

On March 8, 2021, in connection with the Company's ongoing CEO search, we entered into a Retention Agreement with Christopher Testa, our President. Pursuant to the agreement, Mr. Testa will be entitled to a retention payment of \$675,000, provided that he continues his service with the Company through February 1, 2022, or upon his earlier termination by the Company other than for Cause (as defined in the Retention Agreement). A copy of the Retention Agreement is filed herewith as Exhibit 10.10.

Item 6. Exhibits

Exhibit Index

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated July 25, 2018, by and among SUPERVALU INC., SUPERVALU Enterprises, Inc., the Registrant and Jedi Merger Sub, Inc. (incorporated by reference to the Registrant's Current Report on Form 8-K, filed on July 26, 2018 (File No. 001-15723)).
2.2	First Amendment to Agreement and Plan of Merger, dated as of October 10, 2018, by and among United Natural Foods, Inc., Jedi Merger Sub, Inc., SUPERVALU INC. and SUPERVALU Enterprises, Inc. (incorporated by reference to Registrant's Current Report on Form 8-K, filed on October 10, 2018 (File No. 001-15723)).
3.1	Certificate of Incorporation of the Registrant, as amended (restated for SEC filing purposes only) (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 2015 (File No. 001-15723)).
3.2	Fourth Amended and Restated Bylaws of the Registrant (incorporated by reference to the Registrant's Current Report on Form 8-K, filed on October 19, 2018 (File No. 001-15723)).
10.1**	Annual Incentive Plan, as amended (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2020, filed on December 9, 2020 (File No. 001-15723)).
10.2* **	Form of Inducement RSU Award Agreement.
10.3*	Amendment No. 1 to Term Loan Agreement, dated as of February 11, 2021, by and among the Registrant and SUPERVALU INC., Credit Suisse AG, Cayman Islands Branch, Goldman Sachs Bank USA and the other lender parties thereto.
10.4	First Amendment to Agreement for Distribution of Products, dated as of March 3, 2021, by and among the Registrant and Whole Foods Market Distribution, Inc. (incorporated by reference to the Registrant's Current Report on Form 8-K, filed on March 4, 2021 (File No. 001-15723)).
10.5* **	Change of Control Severance Agreement, dated as of November 30, 2015, by and among SUPERVALU INC. and Michael Stigers.
10.6* **	Transition Agreement, dated as of October 22, 2018, by and among the Registrant, SUPERVALU INC. and Michael Stigers.
10.7* **	First Amendment to Transition Agreement, dated as of March 27, 2019, by and among the Registrant, SUPERVALU INC. and Michael Stigers.
10.8* **	Second Amendment to Transition Agreement, dated as of May 12, 2020, by and among the Registrant, SUPERVALU INC. and Michael Stigers.
10.9* **	Third Amendment to Transition Agreement, dated as of March 9, 2021, by and among the Registrant, SUPERVALU INC. and Michael Stigers.
10.10* **	Retention Agreement, dated as March 8, 2021, by and between the Registrant and Christopher Testa.
10.11* **	Second Amendment to Amended and Restated Employment Agreement, dated as of March 9, 2021, by and between the Registrant and Steven L. Spinner.
31.1*	Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from the United Natural Foods, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended January 30, 2021, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.
104	The cover page from our Quarterly Report on Form 10-Q for the second quarter of fiscal 2021, filed with the SEC on March 10, 2021, formatted in Inline XBRL (included as Exhibit 101).

* Filed herewith.

** Denotes a management contract or compensatory plan or arrangement.

* * *

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED NATURAL FOODS, INC.

/s/ JOHN W. HOWARD

John W. Howard

Chief Financial Officer

(Principal Financial Officer and duly authorized officer)

Dated: March 10, 2021

UNITED NATURAL FOODS, INC.

**INDUCEMENT AWARD
RESTRICTED SHARE UNIT AWARD AGREEMENT**

(a) This Restricted Share Unit Award Agreement (this “*Agreement*”) effective as of _____, 20__ (the “*Grant Date*”), between United Natural Foods, Inc. (the “*Company*”) and _____ (the “*Participant*”), evidences an Award denominated in Restricted Share Units to the Participant. The Award is being made as an inducement grant in reliance on Rule 303A.08 of the New York Stock Exchange and is not issued under the United Natural Foods, Inc. 2020 Equity Incentive Plan (as amended from time to time, the “*Plan*”). Notwithstanding the foregoing, the Award shall be governed by the terms of the Plan and interpreted as if the Award were subject to the Plan. Capitalized terms used but not defined herein will have the meaning ascribed to them in the Plan. Except where the context otherwise requires, the term “*Company*” shall include the Company and all present and future Subsidiaries.

1. Definitions.

(a) “*Participant*,” solely for the purpose of this Agreement, means the employee designated above.

(b) “*Restricted Share Unit*” means a right to receive a payment in the form of any one Share of the Company’s common stock, par value \$0.01 per share, subject to the terms and conditions set forth in this Agreement and in the Plan.

(c) “*Vesting Date*” means one of the dates specified in Section 3(a) below.

(d) “*Vesting Period*” means the period beginning on _____, 20__ and ending on _____, 20__.

2. Grant of Restricted Share Units. In consideration of services to be rendered by the Participant to the Company, the Company hereby grants to the Participant [_____] Restricted Share Units, on the terms and conditions and subject to the restrictions set forth in this Agreement and the Plan. The grant of Restricted Share Units shall be subject to adjustment as provided in Section 4.3 of the Plan. This grant is conditional upon the Participant signing a counterpart of this Agreement and delivering such signed counterpart to the Company within sixty (60) days of this Agreement.

3. Vesting.

(a) Except as otherwise provided herein or in the Plan, if the Participant remains continuously employed by the Company through the applicable vesting date, the Restricted Share Units will vest in accordance with the following schedule:

Vesting Date	Restricted Share Units
_____, 20__	33.3%

_____, 20__

33.3%

_____, 20__

33.4%

(b) In the event that the Participant dies or terminates employment on account of Disability at any time after grant, all of the then-unvested Restricted Share Units granted under this Agreement will continue to vest through the Vesting Period. The rights of the Participant (or the Participant's estate or beneficiaries in the event of Participant's death) in any event described in this Section 3(b) shall become non-forfeitable only at such time as the Shares issuable in settlement of such Restricted Stock Units would have been issued pursuant to Section 4 hereof had the Participant not died or had his or her employment terminated on account of Disability.

(c) In the event the Participant's employment with the Company or any successor to the Company is terminated without Cause, or the Participant terminates his or her employment for Good Reason, within twelve (12) months after a Change in Control (and before the Restricted Share Units otherwise have become vested under Section 3(a), (b) or (c)), the Participant shall vest in all of the Restricted Share Units granted under Section 2 of this Agreement and the Participant's rights to such Restricted Share Units shall become non-forfeitable as of the date on which the Participant's employment with the Company or its successor is terminated. In the event that this Award is not assumed by the Acquiror in connection with a Change in Control, all of the Restricted Share Units shall vest immediately prior to the Change in Control and shall settle immediately following the Change in Control (notwithstanding the longer period of time for settlement provided in Section 4 below).

(d) Except as provided in Section 3(b) or (c) above or as otherwise provided in any written agreement by and between the Company and the Participant, if the Participant's employment with the Company terminates for any reason prior to the expiration of the Vesting Period, all then-unvested Restricted Share Units shall be canceled immediately and shall not be payable to the Participant.

4. Payment. The Company shall issue to the Participant one Share for each Restricted Share Unit which has become vested with respect to the vesting schedule pursuant to Section 3 of this Agreement. The payment of the Shares shall be made to the Participant (or the Participant's assignee or beneficiary if permitted by the Plan or the Committee) in accordance with the Company's grant and award policy no later than March 15th of the calendar year next following the calendar year in which the vesting period ends and may be made as a book-entry confirmation or through the issuance of a certificate evidencing such Shares.

5. Rights as a Stockholder. The Participant shall have no rights as a stockholder with respect to any Shares which may be issued upon the vesting of the Restricted Share Units (including, without limitation, voting rights and any rights to receive dividends or non-cash distributions with respect to such Shares) unless and until the Shares have been issued to Participant. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares are issued.

6. Withholding. The Company's obligation to make payment of vested Restricted Share Units shall be subject to the Participant's satisfaction of any applicable federal, state, local and foreign withholding obligations or withholding taxes, including any employer minimum statutory withholding ("**Withholding Taxes**"), and the Participant shall pay the amount of any such Withholding Taxes to the Company as set forth in this Section 6. The Participant may satisfy his or her obligation to pay the

Withholding Taxes by (i) having the Company withhold Shares otherwise deliverable to the Participant pursuant to settlement of vested Restricted Share Units; or (ii) delivering, actually or by attestation, to the Company shares of Common Stock already owned by the Participant; provided that the amount of such Shares withheld or shares of Common Stock delivered (with the value of such Shares being based on the Fair Market Value of a Share of the Company's Common Stock as of the payment date as determined by the Committee) shall not exceed the amount necessary to satisfy the minimum amount of Withholding Taxes. The Participant acknowledges and agrees that the Company has the right to deduct from compensation or other amounts owing to the Participant an amount not to exceed the Withholding Taxes.

7. Covenants. As a condition to the receipt of the Award (which shall be forfeited in the event of noncompliance with this Section 7), the Participant hereby agrees to adhere to the covenants set forth in Section 14.8 of the Plan, which include confidentiality, non-competition and non-solicitation covenants and acknowledges that the Award is subject to recoupment as provided in the Plan.

8. No Guarantee of Employment. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue in the employ of the Company, or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to discharge the Participant at any time for any reason whatsoever, with or without Cause.

9. Private Placement. The Restricted Share Units and any Shares issued upon payment thereof have not been registered under the Securities Act of 1933, as amended (the "*Act*"), in reliance on exemptions provided under Section 4(a)(2) of the Act and other applicable exemptions. Accordingly, they may not be transferred except in reliance on an exemption from registration under the Act and any applicable state securities laws. It is anticipated that the Shares will be transferable in compliance with Rule 144 under the Act. Prior to, and as a condition of, any transfer, the Participant shall be required to deliver to the Company an opinion of counsel, satisfactory to the Company, to the effect such transfer may be made in accordance with the Act. Certificates representing any Shares issued hereunder shall bear a legend reflecting such restrictions on transfer and any electronic stock transfer records shall also reflect a notation of such restrictions on transfer.

10. Amendment. Subject to the restrictions contained in the Plan, the Committee may waive any conditions or rights under, amend any terms of or alter, suspend, discontinue, cancel or terminate, this Agreement and the Restricted Share Units, prospectively or retroactively in time (and in accordance with Section 409A of the Code with regard to awards subject thereto); provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Participant or any holder or beneficiary of the Restricted Share Units shall not to that extent be effective without the consent of the Participant, holder or beneficiary; and provided further that no consent of the Participant or any holder or beneficiary shall be required for any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination to the extent necessary to conform this Agreement to mandatory provisions of applicable federal or state laws, regulations or rulings, including but not limited to the provisions of Section 409A of the Code necessary to avoid tax penalties to the Participant. The Committee is authorized to make equitable and proportionate adjustments in the terms and conditions of, and the criteria included in, this Agreement and the Restricted Share Units as set forth in the Plan.

11. Determinations by the Committee. Except as otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or this Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons.

12. Provisions of the Plan. The Participant hereby acknowledges receipt of a copy of the Plan with this Agreement and agrees to be bound by all the terms and provisions of the Plan. This Agreement is governed by the terms of the Plan.

13. Nontransferability of Restricted Share Units. Except as otherwise provided in the Plan, the Restricted Share Units and this Agreement shall not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Restricted Share Units otherwise than as permitted by the Plan and this Agreement shall, at the election of the Company, be null and void. Transfer of the Restricted Share Units for value is not permitted under the Plan or this Agreement.

14. Notices. Any notice required or permitted to be given to the Participant under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the United States mail with postage and fees prepaid. Any notice or communication required or permitted to be given to the Company under this Agreement shall be in writing and shall be deemed effective only upon receipt by the Secretary of the Company at the Company's principal office.

15. Waiver. The waiver by the Company of any provision of this Agreement at any time or for any purpose shall not operate as or be construed to be a waiver of the same or any other provision of this Agreement at any subsequent time or for any other purpose.

16. Section 409A.

(a) For the avoidance of doubt, the Restricted Share Units granted under this Agreement are intended to be exempt from or otherwise comply with Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively "**Code Section 409A**") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be either exempt from or in compliance therewith. In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on the Participant by Code Section 409A or damages for failing to comply with Code Section 409A.

(b) Notwithstanding any other payment schedule provided herein to the contrary, if the Participant is deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then any payment due under this Agreement that is considered "deferred compensation" under Section 409A of the Code payable on account of a Participant's "separation from service" shall not be made until the date which is the earlier of (A) the expiration of the six (6) month period measured from the date of such "separation from service" of the Participant, and (B) the date of Participant's death (the "**Delay Period**") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 15(b) shall be paid to the Participant in a lump sum in accordance with the Agreement.

(c) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of "deferred compensation" (as such term is defined in Code Section 409A) upon or following a termination of employment unless such termination is also a "separation from service" from the Company within the meaning of Code Section 409A (and, more specifically, Treasury Regulation 1.409A-1(h)) and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(d) For the avoidance of doubt, any payment due under this Agreement within a period following Participant's termination of employment, death, Disability, Retirement or other event, shall be made on a date during such period as determined by the Company in its sole discretion.

17. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

18. Successors. This Agreement shall inure to the benefit of and be binding upon any successor to the Company and shall inure to the benefit of the Participant's legal representative. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be binding upon the Participant's heirs, executors, administrator and successors.

19. Electronic Communication. The Company may, in its sole discretion, decide to deliver any document related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer of the Company, and the Participant has accepted and signed this Agreement, all on the day and year first mentioned above.

UNITED NATURAL FOODS, INC.

By: _____

PARTICIPANT

**AMENDMENT NO. 1
TO TERM LOAN AGREEMENT**

This AMENDMENT NO. 1 to Term Loan Agreement, dated as of February 11, 2021 (this "*Amendment*"), is entered into among UNITED NATURAL FOODS, INC., a Delaware corporation (the "*Lead Borrower*"), SUPERVALU INC., a Delaware corporation (the "*Co-Borrower*"; and, together with the Lead Borrower, the "*Borrowers*"), the Guarantors party hereto (the "*Guarantors*"; and, together with the Borrowers, the "*Loan Parties*"), CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as the initial New Lender (as defined below), CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as successor administrative agent and collateral agent (in such capacity and including any successors in such capacity, the "*Agent*") and Goldman Sachs Bank USA, as existing administrative agent and existing collateral agent (in such capacities, the "*Existing Agent*"), and amends the Term Loan Agreement, dated as of October 22, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time through the date hereof, the "*Credit Agreement*") entered into among the Lead Borrower, the Co-Borrower, the institutions from time to time party thereto as Lenders (the "*Lenders*") and the Existing Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

WITNESSETH:

WHEREAS, the Lead Borrower has requested that the Lenders amend the Credit Agreement to effect the changes described in this Amendment;

WHEREAS, the Lead Borrower has requested that Credit Suisse Loan Funding LLC act as Lead Arranger (together with any other lead arranger of the Amendment, the "*Lead Arrangers*") in connection with the Amendment;

WHEREAS, pursuant to Section 9.09 of the Credit Agreement, the Existing Agent shall resign as Administrative Agent and Collateral Agent, and the Lead Borrower and the Required Lenders consenting hereto desire to appoint Credit Suisse AG, Cayman Islands Branch to act as the successor Administrative Agent and Collateral Agent under the Credit Agreement and the other Loan Documents; and

WHEREAS, the Existing Agent, the Agent and the Lead Borrower will enter into a Successor Agency Agreement in form and substance reasonably acceptable to the Existing Agent, the Agent and the Lead Borrower, which shall become effective on the Amendment No. 1 Effective Date (as defined below);

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree as follows:

Section 1. Amendments to the Credit Agreement

The Credit Agreement is, effective as of the Amendment No. 1 Effective Date, hereby amended:

(a) to delete the references to “4.25%” and “3.25%” in clause (1) of the definition of “*Applicable Rate*” set forth in Section 1.01 of the Credit Agreement and replace such references with “3.50%” and “2.50%”, respectively;

(b) to delete the reference to “prior to the twelve (12) month anniversary of the Closing Date” in Section 2.05(a)(iv) of the Credit Agreement and replace such reference with “prior the six (6) month anniversary of the Amendment No. 1 Effective Date”; and

(c) to effect the additional amendments to the Credit Agreement set forth on Exhibit B hereto.

Section 2. *New Lenders and Non-Consenting Lenders*

If any Lender under the Credit Agreement (each a “*Non-Consenting Lender*”) declines or fails to consent to this Amendment by failing to return an executed consent (“*Consent*”) in the form of Exhibit A to this Amendment to the Agent prior to 12:00 p.m., New York City time on January 29, 2021 (the “*Consent Deadline*”), or elects to assign a portion of its Term Loans as provided in its executed Consent, then pursuant to and in compliance with the terms of Section 3.06 of the Credit Agreement, such Lender may be replaced and its Term Loans, commitments and/or obligations (or a portion thereof) purchased and assumed by either a new lender (a “*New Lender*”) or an existing Lender that is willing to increase its Term Loans. For the avoidance of doubt, each Non-Consenting Lender will be deemed to have executed an Assignment and Assumption for all of its then outstanding Term Loans.

Section 3. *Resignation and Appointment of Administrative Agent and Collateral Agent*

(a) Pursuant to Section 9.09 of the Credit Agreement, (i) the Required Lenders and the Borrowers hereby accept the resignation of the Existing Agent as the Administrative Agent and Collateral Agent under the Loan Documents, (ii) the Required Lenders hereby appoint Credit Suisse AG, Cayman Islands Branch to act as the successor Administrative Agent and Collateral Agent under the Loan Documents, (iii) the Borrowers hereby consent to and accept the appointment of Credit Suisse AG, Cayman Islands Branch as the successor Administrative Agent and Collateral Agent under the Loan Documents and (iv) each of the parties hereto waives any applicable notice requirements under the Loan Documents and any inconsistency or conflict with the provisions in Section 9.09 of the Credit Agreement with respect to the actions described in the immediately preceding clauses (i), (ii) and (iii). Such resignation and appointment shall become effective upon the Amendment No. 1 Effective Date.

(b) The Required Lenders expressly agree and acknowledge that the Agent is not assuming any liability (i) under or related to the Loan Documents prior to the Effective Date (as defined in the Successor Agency Agreement) of the Successor Agency Agreement or (ii) for any claims under or related to the Loan Documents that may have arisen or accrued prior to the Effective Date of the Successor Agency Agreement. The Required Lenders hereby expressly agree and confirm that, with respect to their applicable indemnification obligations under the Loan Documents, the Existing Agent’s right to indemnification, as set forth in the Loan Documents, shall apply with respect to any and all losses, claims, costs and expenses that the Existing Agent suffers or incurs relating to actions taken or omitted by any of the parties

to this Amendment on or prior to the Effective Date of the Successor Agency Agreement, or after the Effective Date of the Successor Agent Agreement in connection with the Successor Agent Agreement. The Required Lenders expressly agree that neither Goldman Sachs Bank USA, in its individual capacity and in its capacity as the Existing Agent, nor any of its Affiliates, shall bear any responsibility or liability for (i) any actions taken or omitted to be taken by the Agent or otherwise under the Successor Agency Agreement or, on and after the Effective Date of the Successor Agency Agreement, the Credit Agreement or any of the other Loan Documents or (ii) for any claims under or related to the Loan Documents (other than the Successor Agent Agreement) to the extent arising or accrued after the Effective Date of the Successor Agency Agreement.

Section 4. Conditions Precedent to the Effectiveness of this Amendment

This Amendment shall become effective as of the date first written above when, and only when, each of the following conditions precedent shall have been satisfied or waived (the “*Amendment No. 1 Effective Date*”):

(a) *Executed Counterparts*. The Agent shall have received this Amendment, duly executed by the Borrowers, the Guarantors, the initial New Lender and the Existing Agent;

(b) *Executed Consents*. The Agent shall have received a Consent, duly executed by each Lender (including each replacement financial institution that becomes a Lender pursuant to Section 10.07(b) of the Credit Agreement, but excluding any Non-Consenting Lender) by the Consent Deadline;

(c) *Officer’s Certificate*. The Lead Borrower shall have provided a certificate signed by a Responsible Officer of the Lead Borrower certifying that (i) immediately prior to and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the Borrowers contained in Article V of the Credit Agreement and in Section 5 of this Amendment shall be true and correct in all material respects (and in all respects if qualified by materiality) on and as of the Amendment No. 1 Effective Date, as if made on and as of such date, except to the extent that such representations and warranties specifically relate to a specific date, in which case such representations and warranties shall be true and correct in all material respects (and in all respects if qualified by materiality) as of such specific date; provided, however, that references therein to “*this Agreement*” shall be deemed to refer to the Credit Agreement as amended hereby and after giving effect to the consents and waivers set forth herein;

(d) *Opinions*. The Agent shall have received an opinion from (i) Jones Day, special New York counsel to the Loan Parties, and (ii) such other counsel to the Loan Parties in such relevant jurisdictions as the Agent shall reasonably request, in each case in form and substance reasonably satisfactory to the Agent;

(e) *Secretary’s Certificate*. The Agent (or its counsel) shall have received such certificates, copies of Organization Documents of the Loan Parties,

resolutions or other action and incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment and the other Loan Documents to which such Loan Party is a party or is to be a party on the date hereof;

(f) *Fees and Expenses Paid.* The Lead Borrower shall have paid all reasonable and documented out-of-pocket costs and expenses of the Lead Arrangers, the Existing Agent and the Agent in connection with the preparation, reproduction, execution and delivery of this Amendment (including, without limitation, the reasonable and documented fees and out-of-pocket expenses of counsel for such parties with respect thereto) and all other fees (including, without limitation, any fees pursuant to any fee letter entered into between the Lead Borrower and any Lead Arranger with respect to this Amendment) then due and payable to any Lead Arranger, the Existing Agent or the Agent in connection with this Amendment, in each case, to the extent invoiced to the Lead Borrower prior to February 10, 2021;

(g) *Successor Agency Agreement.* The Agent and the Existing Agent (or their respective counsel) shall have received from (i) the Existing Agent, (ii) the Agent and (iii) the Lead Borrower, a counterpart of the Successor Agency Agreement signed on behalf of such party; and

(h) *USA PATRIOT Act.* The Lead Borrower shall have delivered at least three (3) Business Days prior to the Amendment No. 1 Effective Date, (i) all documentation and other information about the Borrowers and the Guarantors as has been reasonably requested in writing at least five (5) Business Days prior to the Amendment No. 1 Effective Date by the Agent and the initial New Lender that they reasonably determine is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act and (ii) a Beneficial Ownership Certification in respect of the Lead Borrower to the extent the Lead Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation if reasonably requested in writing by the new initial New Lender at least five (5) Business Days prior to the Amendment No. 1 Effective Date.

Section 5. Representations and Warranties

Both immediately prior to and immediately after giving effect to this Amendment, each Loan Party hereby represents and warrants to the Agent and each Lender (including the initial New Lender) as follows:

(a) this Amendment has been duly authorized, executed and delivered by such Loan Party and constitutes the legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms and the Credit Agreement, as amended by this Amendment, constitutes the legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in

accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity;

(b) each of the representations and warranties contained in Article V of the Credit Agreement is true and correct in all material respects (and in all respects if qualified by materiality) on and as of the Amendment No. 1 Effective Date, as if made on and as of such date, except to the extent that such representations and warranties specifically relate to a specific date, in which case such representations and warranties shall be true and correct in all material respects (and in all respects if qualified by materiality) as of such specific date; provided, however, that references therein to “*this Agreement*” shall be deemed to refer to the Credit Agreement as amended hereby and after giving effect to the consents and waivers set forth herein; and

(c) no Default or Event of Default has occurred and is continuing.

Section 6. Fees and Expenses; Indemnity; No Fiduciary Duty

The Lead Borrower agrees to pay, in accordance with the terms of Section 10.04 of the Credit Agreement, all reasonable out-of-pocket costs and expenses of the Agent, the Existing Agent and the Lead Arrangers in connection with the preparation, reproduction, execution and delivery of this Amendment (including, without limitation, the reasonable and documented fees and out-of-pocket expenses of external counsel for such parties with respect thereto). Sections 10.04, 10.05 and 10.23 of the Credit Agreement are incorporated by reference herein as if such Sections appeared herein, and shall apply to the activities of the Lead Arrangers in connection with this Amendment, *mutatis mutandis*.

Section 7. Reference to the Effect on the Loan Documents

(a) As of the Amendment No. 1 Effective Date, each reference in the Credit Agreement to “*this Agreement*,” “*hereunder*,” “*hereof*,” “*herein*,” or words of like import, and each reference in the other Loan Documents to the Credit Agreement (including, without limitation, by means of words like “*thereunder*,” “*thereof*” and words of like import), shall mean and be a reference to the Credit Agreement as amended hereby, and this Amendment and the Credit Agreement shall be read together and construed as a single instrument. Each of the table of contents and lists of Exhibits and Schedules of the Credit Agreement shall be amended to reflect the changes made in this Amendment as of the Amendment No. 1 Effective Date.

(b) Except as expressly amended hereby or specifically waived above, all of the terms and provisions of the Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders, the Loans Parties, the Lead Arrangers, the Existing Agent or the Agent under any of the Loan Documents, nor constitute a waiver or amendment of any other provision of any of the Loan Documents or for any purpose except as expressly set forth herein. The parties hereto acknowledge and agree that the amendment of the Credit Agreement pursuant to this Amendment and all other Loan Documents amended and/or executed and delivered in

connection herewith shall not constitute a novation of the Credit Agreement and the other Loan Documents as in effect prior to the Amendment No. 1 Effective Date.

(d) Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment.

(e) This Amendment is a Loan Document.

Section 8. Reaffirmation

Each Loan Party hereby expressly acknowledges the terms of this Amendment and reaffirms, as of the date hereof, (a) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby and (b) its guarantee of the Obligations under the Guarantee and Collateral Agreement, as applicable, and its grant of Liens on the Collateral to secure the Obligations pursuant to the Collateral Documents (including, without limitation, pursuant to the Mortgages, if any to which it is party).

Section 9. Execution in Counterparts

This Amendment may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. Any signature to this Amendment may be delivered by facsimile, electronic mail (including pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by applicable law. For the avoidance of doubt, the foregoing also applies to any amendment, extension or renewal of this Amendment.

Section 10. Governing Law

THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 11. Section Titles

The section titles contained in this Amendment are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto, except when used to reference a section.

Section 12. Notices

All communications and notices hereunder shall be given as provided in the Credit Agreement.

Section 13. Severability

If any provision of this Amendment is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 14. Successors

The terms of this Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

Section 15. Jurisdiction; Waiver of Jury Trial

The jurisdiction and waiver of right to trial by jury provisions in Sections 10.14 and 10.15 of the Credit Agreement are incorporated herein by reference *mutatis mutandis*.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers and general partners thereunto duly authorized, as of the date first written above.

UNITED NATURAL FOODS, INC., as Lead
Borrower and a Guarantor

By: /s/ John W. Howard

Name: John W. Howard

Title: Chief Financial Officer

SUPERVALU INC., as Co-Borrower and a
Guarantor

By: /s/ Devon Hart

Name: Devon J. Hart

Title: Vice President

THE GUARANTORS SET FORTH ON
ANNEX I TO THIS SIGNATURE PAGE

By: /s/ Devon Hart

Name: Devon J. Hart

Title: Vice President

[Signature Page to Amendment No. 1]

Name of Guarantor

Advantage Logistics - Southeast, Inc.
Albert's Organics, Inc.
Arden Hills 2003 LLC
Associated Grocers of Florida, Inc. Billings Distribution Company, LLC
Bismarck Distribution Company, LLC Blue Marble Brands, LLC
Cambridge 2006 L.L.C. Centralia Holdings, LLC
Champaign Distribution Company, LLC Champlin 2005 L.L.C.
Cub Stores, LLC
Cub Stores Holdings, LLC DS & DJ Realty, LLC
Eastern Region Management, LLC Fargo Distribution Company,
LLC FF Acquisition, L.L.C.
Foodarama LLC
GROCERS CAPITAL COMPANY Hazelwood Distribution Company,
Inc. Hazelwood Distribution Holdings, Inc. Hopkins Distribution
Company, LLC Hornbacher's, Inc.
Inver Grove Heights 2001 L.L.C. Maplewood East 1996 L.L.C.
Natural Retail Group, Inc.
NOR – CAL PRODUCE, INC. Oglesby Distribution Company, LLC
SFW Holding Corp.
Shop 'N Save East, LLC Shop 'N Save St. Louis, Inc.
Shop 'N Save Warehouse Foods, Inc.
Shoppers Food Warehouse Corp.
Stevens Point Distribution Company, LLC Super Rite Foods, Inc.
SUPERVALU Holdings, Inc. SUPERVALU Holdings - PA LLC
SUPERVALU Licensing, LLC SUPERVALU Penn, LLC
SUPERVALU Pharmacies, Inc. SUPERVALU Transportation, Inc.
SUPERVALU TTSJ, LLC
SUPERVALU Wholesale Holdings, Inc.

SUPERVALU Wholesale Operations, Inc. SUPERVALU Wholesale, Inc.
Tony's Fine Foods
Unified Grocers, Inc.
UNITED NATURAL FOODS WEST, INC. United Natural Trading, LLC
UNFI Canada, Inc.
W. Newell & Co., LLC

[Signature Page to Amendment No. 1]

CREDIT SUISSE AG, CAYMAN
ISLANDS BRANCH, as initial New Lender
and Agent

By: /s/ William O' Daly

Name: William O'Daly

Title: Authorized Signatory

By: /s/ D. Andrew Maletta

Name: D. Andrew Maletta

Title: Authorized Signatory

GOLDMAN SACHS BANK USA, as
Existing Agent

By: /s/ Gregory Scaduto

Name: Gregory Scaduto

Title: Authorized Signatory

[Signature Page to Amendment No. 1]

Exhibit A

CONSENT

This CONSENT (this “*Consent*”) to Amendment No. 1 to Term Loan Agreement, dated as of the date hereof (the “*Amendment*”), entered into among United Natural Foods, Inc., as Lead Borrower, SUPERVALU INC., as Co-Borrower, Credit Suisse AG, Cayman Islands Branch, as the Initial New Lender, Credit Suisse AG, Cayman Islands Branch, as the Agent, and Goldman Sachs Bank USA, as Existing Agent, which amends the Term Loan Agreement, dated as of October 22, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time through the date hereof, the “*Credit Agreement*”), among the Lead Borrower, the Co-Borrower, the Lenders from time to time party thereto and the Existing Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement or the Amendment, as applicable.

Date of Credit Agreement: October 22, 2018

Fill in existing position (if any): \$

Check the first or second box below

Consent:

- The undersigned Lender (including any New Lender) hereby irrevocably and unconditionally approves of and consents to the Amendment with respect to all Term Loans held by such Lender.

Decline:

- The undersigned Lender declines to participate and elects to have all of the outstanding principal amount of the Term Loans held by such Lender be assigned on the Amendment No. 1 Effective Date to a New Lender and is hereby deemed to execute the Assignment and Assumption.

Name of Lender: _____

by

Name:

Title:

For any Institution requiring a second signature line:

by

Name:

Title:

Exhibit B

ADDITIONAL AMENDMENTS

In addition to the other amendments set forth in Section 1 of the Amendment, the Credit Agreement is, effective as of the Amendment No. 1 Effective Date, hereby amended to: (a) add the following

definitions to Section 1.01 in alphabetical order:

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Amendment No. 1 Effective Date” means February 11, 2021.

“LIBOR Screen Rate” means the LIBOR quote on the applicable Bloomberg screen page (or such other commercially available source providing such quotations).

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.”

(b) delete the definitions of “Bail-In Action,” “Bail-In Legislation,” and “Write-Down Conversion Powers” in Section 1.01 and replace them with the following:

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Write-Down and Conversion Powers” means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with

respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.”

(c) delete the definitions of “LIBOR Successor Rate,” “LIBOR Successor Rate Conforming Changes,” and “Scheduled Unavailability Date” in Section 1.01;

(d) delete Section 1.10 in its entirety and replace it with:

“1.10. Interest Rates; LIBOR Notification. The interest rate on Eurocurrency Rate Loans is determined by reference to the LIBOR Screen Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022 or at some point thereafter, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Rate Loans for one or more currencies available for borrowing hereunder. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, Section 2.19 provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Lead Borrower, pursuant to Section 2.19, of any change to the reference rate upon which the interest rate on Eurocurrency Rate Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “Eurocurrency Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.19, whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.19, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, will be similar to, or produce the same value or economic equivalence of, the Eurocurrency Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.”

(e) add the following as a new Section 1.11:

“1.11. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into

existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.”

(f) add the following as a new Section 2.19:

“2.19. Alternate Rate of Interest.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document (and any Swap Contract shall be deemed not to be a “Loan Document” for purposes of this Section 2.19), if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders of each Class.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Lead Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.19, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.19.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of “Interest Period” for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Lead Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Lead Borrower may revoke any request for a Eurocurrency Rate Borrowing of, conversion to or continuation of Eurocurrency Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Lead Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

(e) Certain Defined Terms. As used in this Section 2.19:

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (d) of this Section 2.19.

“Benchmark” means, initially, LIBOR; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (a) of this Section 2.19.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

- (2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Lead Borrower as the replacement for the then- current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar- denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

- (1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:
 - (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;
 - (b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and
- (2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Lead Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the

applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or
- (3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have

occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with this Section 2.19 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with this Section 2.19.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Early Opt-in Election” means, if the then-current Benchmark is LIBOR, the occurrence of the joint election by the Administrative Agent and the Lead Borrower to trigger a fallback from LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBOR.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not LIBOR, the time determined by the Administrative Agent in its reasonable discretion.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.”

(g) delete Section 10.10 in its entirety and replace it with the following:

“10.10 Counterparts. This Agreement and each other Loan Document may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. Any signature to this Agreement and each other Loan Document may be delivered by facsimile, electronic mail (including pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by applicable law. For the avoidance of doubt, the foregoing also applies to any amendment, extension or renewal of this Agreement and each other Loan Document.”

(h) delete Section 10.25 in its entirety and replace it with the following:

“10.25 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

i. a reduction in full or in part or cancellation of any such liability;

ii. a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

iii. the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.”

(i) add the following as a new Section 10.27:

“10.27 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support,” and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the

resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section 10.27, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).”

(j) delete Schedule 5.10 in its entirety and replace it with the following:

“SCHEDULE 5.10

COMPLIANCE WITH ERISA

1. One or more Obligor maintained, established, contributed to or been obligated to contribute to the following Multiemployer Plans:

- United Wire, Metal and Machine Pension Fund (the Woodstock Farms location)
- New England Teamsters and Trucking Industry Pension Fund (the Leicester, MA location)
- Western Conference of Teamsters Pension Trust
- Bakery and Confectionery Union and Industry International Health Benefits Fund
- District 77 IAM&AW Welfare Association
- Indiana Teamsters Safety Training Educational Trust Fund
- IUOE & Pipeline Employers Health & Welfare Fund
- Machinists Health & Welfare Trust
- Minnesota Teamsters Health & Welfare Plan
- Teamsters Joint Council 32 – Employers H&W Fund
- Minnesota Teamsters HRA Plan
- Montana Teamsters/Contractors-Employers Trust
- Montana Teamsters/Contractors-Employers Trust (Retirees)
- Montana Teamsters/Contractors-Employers Trust (HRA)Minneapolis Retail Meat Cutters & Food Handlers Health & Welfare Fund
- Automotive, Petroleum & Allied Industries Employees Health & Welfare Trust
- Central Pennsylvania Teamsters Health & Welfare Fund
- Central States Southeast & Southwest Areas Health & Welfare Fund
- Washington Teamsters Welfare Trust
- Washington Bakers Trust
- Northwest IAM Benefit Trust
- Northern Minnesota - Wisconsin Area Retail Food Health and Welfare Fund
- Oregon Teamster Employers Trust
- Sound Health & Wellness Trust
- Southern States Savings Plan
- St. Louis Labor Healthcare Network
- Teamsters & Employers Welfare Trust of Illinois
- Teamsters 206 Employers Trust
- Teamsters Local 610 Prescripticare Trust Fund
- Teamsters and Food Employers Security Trust Fund
- Twin Cities Bakery Workers Health & Welfare Fund
- UFCW Local 88 & Employers Health & Welfare Fund
- UFCW Local 1189 & St. Paul Food Employers Health and Welfare Plans (formerly Local 789)
- UFCW Union Local 655 Welfare Fund
- UFCW Unions & Employers Midwest Health Benefits Fund
- UFCW Unions & Participating Employers Health and Welfare Fund
- UFCW Unions & Participating Employers Legal Fund
- Teamsters Medicare Trust for Retired Employees
- District 9 IAM&AW Welfare Trust

- Locals 302 & 612 IUOE Construction Industry Health and Security Fund
 - Automotive Machinists Pension Trust
 - Bakery and Confectionery Union and Industry International Pension Fund
 - Central Pension Fund of the IUOE and Participating Employers
 - Central States, SE & SW Areas Pension Fund
 - Employer-Teamsters Local Nos. 175 & 505 Pension Trust Fund
 - Employers and Local 534 Grocery Employees Pension Fund
 - Employers and Local 534 Meat Employees Pension Fund
 - Food Employers Labor Relations Association (FELRA) and UFCW Pension Fund
 - International Association of Machinists National Pension Fund
 - Minneapolis Food Distributing Industry Pension Plan
 - Minneapolis Retail Meat Cutters and Food Handlers Pension Fund
 - Minnesota Bakers Union Pension Plan
 - Minnesota Teamsters 401(k) Plan
 - Northern Minnesota / Wisconsin Area Retail Clerks Pension Fund
 - Sound Retirement Trust
 - UFCW 1189 & St. Paul Food Employers Defined Contribution Plan
 - UFCW Consolidated Pension Plan
 - UFCW International Union-Industry Pension Fund
 - UFCW Union Local 655 Food Employers Joint Pension Plan and Trust
 - UFCW Unions and Employers Midwest Pension Fund
 - UFCW Unions and Employers Pension Fund
 - UFCW Unions and Participating Employers Pension Fund
 - Stationary Engineers Training Local 286 Journeymen Upgrading, Apprenticeship Training, and Training Trust
 - Western Alliance Trust Fund
 - United Wire, Metal & Machine Health & Welfare Fund
 - VEBA Trust
 - Master Investment Trust
2. One or more Obligor may withdraw from the New England Teamsters and Trucking Industry Pension Fund (the Leicester, MA location) in the next year. The amount of any potential withdrawal liability cannot be determined at this time.
 3. Supervalu has withdrawn from certain Multiemployer Plans which could result in Supervalu incurring withdrawal liability under Title IV of ERISA in the future. Supervalu's estimate of such potential liability is set forth in Supervalu's Annual Report on Form 10-K, as filed with the SEC on April 24, 2018.
 4. The SUPERVALU Retirement Plan and Unified Grocers, Inc. Cash Balance Pension Plan have Unfunded Pension Liabilities.
 5. On April 24, 2018, Supervalu announced that it is pursuing the sale of the corporately owned and operated retail operations of its Shop 'n Save retail banner based in the Saint Louis, Missouri region (including the operations of the distribution center dedicated to supplying such retail operations) and that those operations are now reported in Supervalu's financial statements as assets held for sale within discontinued operations.

The sale or closure of certain of these operations could result in triggering withdrawal liability under ERISA.

6. If the Pension Benefit Guaranty Corporation (“PBGC”) determines that the consummation of the transactions contemplated the Supervalu Acquisition would increase the risk to Supervalu’s defined benefit pension plans of plan failure, then the PBGC may seek to negotiate additional financial protections for plan participants and the federal pension insurance program, including the contribution by Supervalu of additional funds to such pension plans and/or the taking of other actions intended to mitigate such potential risks.”

(k) delete Schedule 5.19 in its entirety and replace it with the following:

SCHEDULE 5.19

“LABOR RELATIONS”

1. Agreement by and between United Natural Foods, Inc. (Auburn, WA – Drivers and Warehouse) and Teamsters Local Union No. 117, effective March 1, 2017 – February 28, 2021.
 2. Agreement between UNFI (Iowa City, IA – Warehouse) and Chauffeurs, Teamsters & Helpers Local Union No 238, effective July 2, 2017 – July 1, 2021.
 3. Agreement between United Natural Foods, Inc. (Dayville, CT – Drivers) and Teamsters Local Union No. 493, effective August 1, 2019 – August 1, 2026.
 4. Agreement between United Natural Foods, Inc. (Dayville, CT – Transportation Office) and Teamsters Local Union No. 495, effective February 26, 2019 – March 5, 2022.
 5. Local 810, I.B.T. agreement with United Natural Trading LLC, dba Woodstock Farms Manufacturing (Edison, NJ), effective July 1, 2017 – June 30, 2020.
 6. Agreement between Nor-Cal Produce, Inc. (Sacramento, CA – Drivers and Warehouse) and Chauffeurs, Teamsters and Helpers Local Union No. 150, effective June 1, 2014 – May 31, 2020.
 7. Collective Bargaining Agreement between United Natural Foods, Inc. (Moreno Valley, CA – Transportation Office Staff) and Teamsters Local 63, effective March 21, 2019 – March 20, 2024.
 8. Collective Bargaining Agreement between United Natural Foods, Inc. (Moreno Valley, CA – Drivers) and I.B.T. Local No. 63, effective March 21, 2019 - March 20, 2024.
 9. [Agreement between United Natural Foods, Inc., dba Albert’s Organics (Vernon, CA – Warehouse), and Teamsters Local No. 166 – negotiations ongoing.]
 10. Collective Bargaining Agreement Between Teamsters Local 445 and United Natural Foods, Inc. (Hudson Valley, NY – Drivers), effective August 1, 2017 – July 31, 2020.
 11. Collective Agreement Between Teamsters Local Union No. 419 and UNFI Canada, Inc. (Concord, Ontario – Drivers and Warehouse), effective March 1, 2017 – February 28, 2022.
 12. Agreement between Teamsters Local No. 853 and United Natural Foods, Inc. (Gilroy, CA – Drivers), effective January 26, 2019 – January 22, 2022.
- ¹ Negotiations ongoing; agreement has been extended to February 15, 2021.
- ² Negotiations ongoing; agreement has been extended.

13. Agreement between SuperValu, Inc. Tacoma – Inventory Control and International Brotherhood of Teamsters, Local Union No. 117, effective July 15, 2018 – July 17, 2021.
14. Agreement between SuperValu, Inc. Tacoma - Warehouse and International Brotherhoods of Teamsters, Local Union No. 117, effective July 15, 2018 – July 17, 2021.
15. Agreement between Cub Foods, Duluth and United Food and Commercial Workers Union, Local No. 1189, effective November 1, 2017 – October 31, 20203.
16. Agreement between United Food and Commercial Workers Union, Local No. 1189 and Cub Gold, effective April 3, 2016 – April 6, 20194.
17. Agreement between United Food and Commercial Workers Union, Local No. 1189 and Cub Foods, St. Paul, effective April 3, 2016 – April 6, 20195.
18. Agreement between SuperValu, Inc. Fargo Division (Drivers, Warehouse and Office) and International Brotherhood of Teamsters, Local No. 120, effective June 2, 2019 – June 1, 2024.
19. Agreement between SuperValu, Inc. Minneapolis (Hopkins) – Drivers and Warehouse and International Brotherhood of Teamsters, Local No. 120, effective June 1, 2018 – May 31, 2022.
20. Agreement between SuperValu Stores, Inc. (d/b/a Cub Foods), Grocery – Freeport Store and UFCW Local 1546, effective August 27, 2017 – June 27, 20206.
21. Agreement between SuperValu Stores, Inc. (d/b/a Cub Foods), Meat – Freeport Store and UFCW Local 1546, effective August 27, 2017 – June 27, 20207.
22. Agreement between SuperValu, Inc. – Billings Distribution Center and Teamsters Local Union No. 190, and between SuperValu, Inc. – Great Falls, Montana Drivers and Teamsters Local Union No. 2, effective April 22, 2018 – April 22, 2023.
23. Agreement between Bakery, Confectionery, Tobacco Workers and Grain Millers Union, Twin Cities Local 22, AFL-CIO and Cub Foods, effective September 9, 2018 – September 5, 2021.
24. Agreement between Shoppers Food and Pharmacy and United Food and Commercial Workers Union, Local 27, effective July 9, 2017 – July 11, 20208.
25. Collective Bargaining Agreement between SuperValu, Inc. New Stanton and International Brotherhood of Teamsters, Local Union No. 30, effective June 5, 2016 – June 1, 2019 (Driver Agreement).
26. Collective Bargaining Agreement between SuperValu, Inc. New Stanton and International Brotherhood of Teamsters, Local Union No. 30, effective June 5, 2016 – June 1, 2019 (Building and Equipment Maintenance Employees).
27. Collective Bargaining Agreement between SuperValu, Inc. New Stanton and International Brotherhood of Teamsters, Local Union No. 30, effective June 2, 2019 – June 1, 2024 (Warehouse Agreement).
28. Agreement between SuperValu, Inc. and International Brotherhood of Teamsters, Local No. 313, (Tacoma - Drivers) effective July 15, 2018 – July 17, 2021.
29. Labor Agreement between SuperValu, Inc. and Bakery, Confectionery, Tobacco Workers and Grain Millers International Union Local 358, (Mechanicsville - Warehouse) effective February 1, 2018 – January 23, 20219.

3 Negotiations ongoing; agreement has been extended.

4 Negotiations ongoing; agreement has been extended.

5 Negotiations ongoing; agreement has been extended.

6 Negotiations ongoing; agreement has been extended.

7 Negotiations ongoing; agreement has been extended.

8 Negotiations ongoing; agreement has been extended.

30. Agreement between Shoppers Food and Pharmacy and United Food & Commercial Workers Union, Local 400, effective July 9, 2017 – July 11, 2020.
31. Agreement between SuperValu, Inc., Fort Wayne Distribution Center and International Brotherhood of Teamsters, Local Union No. 414, effective August 2, 2020 – August 1, 2024.
32. Agreement between Unified Grocers, Inc. Stockton (Automotive Workers) and Teamsters Local 439, effective September 20, 2020 – September 20, 2026.
33. Agreement between Unified Grocers, Inc. Stockton (Wholesale Delivery Drivers) and Teamsters Local 439, effective September 20, 2020 – September 20, 2026.
34. Agreement between Unified Grocers, Inc. Stockton (Dry Warehouse) and Teamsters Local Union No. 439, effective September 20, 2020 – September 20, 2026.
35. Agreement between Unified Grocers, Inc. Stockton (Frozen Foods Warehouse) and Teamsters Local Union No. 439, effective September 20, 2020 – September 20, 2026.
36. Agreement between Unified Grocers, Inc. Stockton (Truck Mechanics) and Teamsters Local 439, effective September 20, 2020 – September 20, 2026.
37. Agreement between Advantage Logistics Colorado South (Warehouse) and International Brotherhood of Teamsters, Local Union No. 455, effective April 24, 2016 – April 24, 2021.
38. Agreement between Unified Grocers, Inc. (Commerce and Santa Fe Springs, Automotive Workers) and International Brotherhood of Teamsters, Local 495, effective September 20, 2020 – September 20, 2026.
39. Agreement between SuperValu Eastern Region, Mechanicsville, Virginia (Drivers) and International Brotherhood of Teamsters, Local Union No. 592, effective May 7, 2017 – May 7, 2022.
40. Agreement between SuperValu Stores, Inc. (Anniston) and International Brotherhood of Teamsters, Local 612, effective March 24, 2017 – March 26, 2022.
41. Agreement between Unified Grocers, Inc. (Stockton and Santa Fe Springs - Frozen Food) and Teamsters Local Union No. 630, effective September 20, 2020 – September 20, 2026.
42. Agreement between SuperValu, Inc., Bismarck Distribution Center, Bismarck; North Dakota (Warehouse, Office & Drivers) and International Brotherhood of Teamsters, Local 638, effective September 15, 2019 – September 15, 2024.
43. Agreement between Cub Foods (Minneapolis, Monticello – Clerks and Meat) and United Food and Commercial Workers Union, District Local 653 now 663, effective March 4, 2018 – March 4, 2023.
44. Agreement between SuperValu, Inc. (Green Bay – Drivers & Warehouse) and International Brotherhood of Teamsters - Drivers, Warehouse & Dairy Employees, Local No. 662, effective June 1, 2016 – May 31, 2019.
45. Wholesale Grocery Agreement between SuperValu, Inc. (Tacoma – Ellensburg Drivers) and International Brotherhood of Teamsters, Local Union No. 760, effective July 15, 2018 – July 17, 2021.
46. Collective Agreement between Unified Grocers, Inc. (Commerce Dispatching and Routing Clerks) and International Brotherhood of Teamsters, Local Union 848, effective September 20, 2020 – September 20, 2026.

⁹ Negotiations ongoing; agreement has been extended to April 30, 2021.

¹⁰ Negotiations ongoing; agreement has been extended.

47. Agreement between Unified Grocers, Inc. (Commerce and Stockton - Wholesale Delivery Drivers) and International Brotherhood of Teamsters, Local Union 848, effective September 20, 2020 – September 20, 2026.
48. Agreement between Unified Grocers, Inc. (Commerce and Santa Fe Springs - Truck Mechanics) and International Brotherhood of Teamsters, Local Union No. 848, effective September 20, 2020 – September 20, 2026.
49. Warehouse Agreement Between Unified Grocers, Inc. (Commerce and Santa Fe Springs – Dry Whs.) and Teamsters Local Union No. 630, effective September 20, 2020 – September 20, 2026.
50. Agreement between International Brotherhood of Teamsters and Unified Grocers, Inc. (Portland – Warehouse Supplement), effective April 21, 2019 – April 18, 2021.
51. Master Agreement between Unified Grocers, Inc. (Portland) and International Brotherhood of Teamsters, Local Unions No. 162, 206, 305, effective April 21, 2019 – April 23, 2022.
52. Agreement between International Brotherhood of Teamsters and Unified Grocers, Inc. (Portland – Drivers and Mechanics Supplement), effective April 21, 2019 – April 23, 2022.
53. Agreement by and between SUPERVALU, Inc. (Green Bay – Mechanics) and Lodge 1855, International Association of Machinists and Aerospace Workers, effective April 1, 2020 – April 3, 2027.
54. Wage and Working Agreement, by and between SuperValu, Inc. Minneapolis Distribution Center (Mechanics) and District Lodge No. 77 of the International Association of Machinists and Aerospace Workers, AFL-CIO, effective November 1, 2020 – July 31, 2026.”

CHANGE OF CONTROL SEVERANCE AGREEMENT

This Agreement ("Agreement") is dated as of **November 30, 2015**, by and between SUPERVALU INC., a Delaware corporation (the "Company"), and **Michael Stigers** (the "Executive").

WHEREAS, the Company considers the continued services of key executives of the Company to be in the best interests of the Company and its stockholders; and

WHEREAS, the Company desires to assure and has determined that it is appropriate and in the best interests of the Company to reinforce and encourage the continued attention and dedication of key executives of the Company to their duties of employment without personal distraction or conflict of interest in circumstances arising from the possibility or occurrence of a Change of Control of the Company; and

WHEREAS, the Company has decided to enter into a continuity agreement with this key executive of the Company; and

WHEREAS, for the purpose of this Agreement, Executive is considered to be a key executive of the Company and has been designated by the Company as an executive to be offered such a continuity compensation agreement with the Company; and

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and Executive agree as follows:

1. **General Principles.** This Agreement is effective on the first date that it has been signed by both the Company and Executive. Words and phrases used with initial capital letters shall have the meaning assigned to them in Section 16 and in other Sections of this Agreement unless, in the context in which used, it would be unreasonable to do so. The captions given to Sections of this Agreement are solely for convenience of reference and shall not be considered in construing this Agreement.

2. **Employment Following Change of Control.**

(a) **Employment Continued.** If a Change of Control occurs, Executive's employment shall be continued hereunder for the Employment Period, subject to Executive's Separation from Service as described hereinafter. Any existing employment agreement between Executive and the Company shall continue to be effective following the Change of Control, but severance amounts under this Agreement shall be reduced by severance amounts payable under any such employment agreement, with any such amounts reduced in a manner consistent with Section 12(a).

(b) **Terms of Continued Employment.** During the Employment Period, the following shall apply:

(i) If Executive's employment has not terminated, during the Employment Period Executive shall have no less than the same titles as that Executive had on the date immediately prior to the Change of Control. Executive's duties and responsibilities shall not be materially and adversely diminished during the Employment Period (to the extent Executive's employment has not terminated) in comparison to the duties and responsibilities that Executive had on the date immediately prior to the Change of Control unless mutually agreed otherwise,

other than as a result of a general reduction of the number or scope of personnel for which Executive is responsible for supervising which reduction occurs in connection with a restructuring or recapitalization of the Company or the division of the Company in which Executive works. In addition, and for the avoidance of doubt, any diminution of duties or responsibilities that occurs solely as a result of the fact that the Company ceases to be a public company or that the size of the Company has been reduced as a result of the Change of Control, shall not be considered a breach of this clause (i) by the Company.

(ii) If Executive's employment has not terminated, during the Employment Period, Executive shall receive an annual base salary which is not less than the base salary in effect on the date immediately prior to the Change of Control, and the Company shall review the salary annually with a view to increasing it; provided any such increase shall be in the sole discretion of the Company's Board of Directors (the "Board").

(iii) If Executive's employment has not terminated, for the year of the Change of Control and for each year thereafter during which Executive is employed during the Employment Period, Executive shall be paid an annual bonus which shall be no less than Executive's Target Bonus in effect on the date immediately prior to the Change of Control.

(iv) If Executive's employment has not terminated, Executive shall be provided with a program of long-term incentive compensation during the Employment Period that is not materially and adversely diminished from the program of long-term incentive compensation as it existed for Executive on the date immediately prior to the Change of Control (for purposes of this clause (iv), a reduction of fifteen percent (15%) or more of the annualized target dollar amount of Executive's long-term incentive compensation as it existed for Executive on the COC Date based on Executive's most recent awards of long-term incentive compensation in the three years prior to the date immediately prior to the COC Date (or, if Executive has been granted long-term incentive opportunities for less than three years, based on all of the years of long-term incentive opportunities provided to Executive) shall be considered to be material and adverse).

(v) If Executive's employment has not terminated, during the Employment Period Executive shall be provided with retirement benefits, welfare benefits and perquisites that are no less favorable in the aggregate than the retirement benefits, welfare benefits and perquisites provided to Executive on the date immediately prior to the Change of Control or, if more favorable to Executive, at a level that is substantially comparable to the level of such retirement benefits, welfare benefits and perquisites made available to other similarly situated executive officers of the Company after the Change of Control.

(vi) If Executive's employment has not terminated, during the Employment Period Executive's place of employment following a Change of Control shall be no farther than forty-five (45) miles from Executive's place of employment on the date immediately prior to the Change of Control.

3. Payment upon Separation from Service Incident to a Change of Control.

(a) **Payment Triggers.** Executive shall be entitled to the severance benefits provided in Section 4 if, and only if, Executive has a Separation from Service and that Separation from Service occurs either:

(i) prior to a Change of Control, as a result of an Anticipatory Separation, or

(ii) within two (2) years following a Change of Control:

1. by the Company without Cause, or
2. by Executive for Good Reason.

(b) **Excluded Separations.** Without limiting the generality of the foregoing, if Executive has a Separation from Service prior to a Change of Control for any reason other than an Anticipatory Separation, this Agreement (excluding the covenants in Section II) shall terminate and have no effect and Executive shall receive only such severance payments, if any, as are provided in any other existing agreement between Executive and the Company. If Executive has a Separation from Service after a Change of Control other than by the Company without Cause or by Executive for Good Reason, this Agreement (excluding the covenants in Section II) shall terminate and have no effect and Executive shall receive only such severance payments, if any, as are provided in any other existing agreement between Executive and the Company.

(c) **Death or Disability.** Notwithstanding the foregoing, Executive shall not be entitled to severance benefits under this Agreement if Executive's Separation from Service is on account of Executive's death or Disability. Executive's death or Disability subsequent to a Separation from Service which would otherwise give rise to severance benefits under this Agreement will not disqualify Executive's estate or Executive from receiving the severance benefits.

(d) **Notice of Termination by Company.** Any purported Separation from Service of Executive by the Company (whether for Cause or without Cause) shall be communicated by a Notice of Termination to Executive. No purported Separation from Service of Executive by the Company shall be effective without a Notice of Termination having been given.

(e) **Good Reason Notice by Executive.** Any purported Separation from Service by Executive for Good Reason shall be communicated by a Notice of Termination to the Company. An Executive's Separation from Service will not be for Good Reason unless (i) Executive gives the Company written notice of the event or circumstance which Executive claims is the basis for Good Reason (the "Good Reason Event") within ninety (90) days of the Good Reason Event first occurring, (ii) the Company is given thirty (30) days from its receipt of such notice within which to cure or resolve the event or circumstance so noticed (the "Cure Period") and (iii) the actual termination of employment occurs within six (6) months of the initial existence of the Good Reason Event; provided, however, that notwithstanding anything to the contrary set forth herein, in the event that the Company decides not to cure or resolve the Good Reason Event in accordance with clause (ii) above, the Company may require Executive to actually terminate employment for Good Reason during the Cure Period. For the avoidance of doubt, if the Good Reason Event is cured or resolved during the Cure Period, Executive's Separation from Service will not be for Good Reason.

4. **Compensation Upon Separation from Service Incident to a Change of Control.** If, pursuant to Section 3, Executive has a Separation from Service that qualifies Executive for benefits under this Section 4, and subject to Executive's timely execution and non-rescission of a Release of Claims, within seventy-five (75) days following such Separation from Service, as further described in Section 12(c) below, Executive shall be entitled to the following payments and benefits.

(a) **Lump Sum Severance.** Within seventy-five (75) days following such Separation of Service (or at such later time as may be provided under Section 12(a)), the Company shall pay or cause to be paid to Executive a lump sum cash amount equal to two (2) times the sum of (i)

Executive's annual Base Salary and (ii) Executive's Target Bonus. If the seventy-five (75)-day period following a Separation from Service begins in one calendar year and ends in a second calendar year (a "Crossover 75-Day Period") and if there are any payments due Executive that are: (i) non-qualified deferred compensation subject to section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) conditioned on Executive signing and not revoking the Release, and (iii) otherwise due to be paid during the portion of the Crossover 75-Day Period that falls within the first year, then such payments will be delayed and paid in a lump sum during the portion of the Crossover 75-Day Period that falls within the second year.

(b) Other Remuneration.

(i) **Salary and PTO Pay.** In addition, at the time of the payment under Section 4(a), Executive shall be entitled to an additional lump sum cash payment equal to the sum of (A) Executive's earned but unpaid salary through the date of Separation from Service, and (B) an amount, if any, of accrued PTO pay, in each case, in full satisfaction of Executive's rights thereto. In addition, Executive shall be entitled to payment of annual bonus plan and long-term incentive plan amounts, if any, due but not yet paid as of the Separation from Service with respect to years or cycles that were completed before the Separation from Service.

(ii) **Interrupted Annual Bonus.** In addition, Executive shall receive a pro-rated payment pursuant to the terms of an annual bonus program as would have been earned based on actual performance for the annual bonus cycle that includes the Separation from Service; provided that Executive was a participant in the applicable annual bonus plan as of the date that Executive's employment terminates. This pro-rated annual bonus will be determined on the basis of actual performance through the date that performance is determined for similarly situated employees of the Company who do not separate from service during the applicable performance period, as determined at the sole discretion of the Board or a committee designated by the Board, with the actual payment to be pro-rated based on the portion of the performance period that Executive was employed by the Company. Except to the extent Executive has elected to defer payment of such amount pursuant to a deferred compensation plan, the pro-rated amount shall be paid at the same time other bonuses are paid under the annual bonus plan. In all events, however, this payment under the annual bonus plan shall be paid not later than the later of (A) March 15 following the end of the calendar year in which the Separation from Service occurs or (B) May 15 following the end of the Company's fiscal year in which the Separation from Service occurs.

(c) **No Effect on Other Agreements.** Except as expressly provided in this Agreement, nothing in this Agreement shall be interpreted or relied upon as a basis to amend, modify, accelerate or defer, or otherwise change any contributions to or payments that may be due from any other plan or arrangement that are deferred compensation subject to section 409A of the Code.

(d) Continued Welfare Benefits.

(i) **In General.** Executive shall be entitled to continued medical, dental and life insurance coverage for Executive and Executive's eligible dependents on the same basis as in effect prior to the Change of Control or Executive's Separation from Service, whichever is deemed to provide for more substantial benefits, until the earlier of (A) the eighteen (18)-month anniversary of the date of Executive's Separation from Service or (B) the commencement of comparable coverage with a subsequent employer or under a plan of Executive's spouse's employer.

(ii) **Impossibility.** If the Company determines that it is not able to provide the coverage required above under the general terms and provisions of the Company's welfare benefit plans consistent with the underwriting, regulatory and tax treatment intended for those plans, then the Company shall reimburse Executive for the cost of obtaining substantially similar benefits (the "Benefit Payment") and shall pay Executive an additional amount, such that after payment of all applicable federal, state and local income and payroll taxes imposed upon Executive as a result of the Benefit Payment, Executive retains an amount equal to the amount of the Benefit Payment.

(e) **Outplacement.** If so requested by Executive, outplacement services shall be provided by a professional outplacement provider mutually acceptable to Executive and the Company at a cost to the Company of not more than Twenty-Five Thousand Dollars (\$25,000). Such services may be provided by direct payment to the outplacement provider (and not by reimbursement to Executive). However, services shall be paid or reimbursed only if the services are provided during the period beginning with the Separation from Service and ending on the December 31 of the second calendar year following the calendar year in which the Separation from Service occurred.

(f) **Indemnification; Liability Insurance.** The Company shall maintain, for a period not less than six (6) years following Executive's Separation from Service, indemnification policies and liability insurance coverage for Executive's benefit comparable to those indemnification policies and liability insurance coverage provided by the Company for Executive's benefit prior to the Change of Control.

(g) **Withholding.** Payments and benefits provided pursuant to this Section 4 or any other provision of this Agreement shall be subject to any applicable income, payroll and other taxes required to be withheld.

5. Contingent Limitation of Payments.

(a) **Reduction Alternative.** Anything in this Agreement to the contrary notwithstanding, if it is determined (as hereafter provided) that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including, without limitation any stock option, stock appreciation right, restricted stock unit, restricted stock award or similar right or award, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by section 4999 of the Code (or any successor provision thereto) by reason of being "contingent on a change in ownership or control" of the Company, within the meaning of section 2800 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the "Excise Tax"), then if a reduction in the amount of payments under Section 4(a) sufficient to avoid the excise tax would result in an increase in the total amount of all Payments that would be retained by Executive, net of all applicable taxes, then and only then, the payments due under Section 4(a) shall be reduced to the amount that, when considered with all Payments taken into account under section 2800 of the Code is One Dollar (\$1.00) less than the smallest sum that would subject Executive to the excise tax.

(b) **Determinations.** If at any time Executive disagrees with any part of the Company's determinations as to the application of Section 5(a), the disputed matter shall be referred to the nationally recognized firm of certified public accountants (the "Accounting Firm") used by the Company prior to the Change of Control (or, if such Accounting Firm declines to serve, the Accounting

Finn shall be a nationally recognized firm of certified public accountants selected by Executive). The Accounting Firm shall be directed by the Company or Executive to submit its determination and detailed supporting calculations to both the Company and Executive within fifteen (15) calendar days after the Separation from Service, if applicable, and any other such time or times as may be requested by the Company or Executive. In collection with making determinations under this Section 5, the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by Executive before or after the Change of Control, including any restrictive covenants that may apply to Executive and the Company shall cooperate in the valuation of any such services, including any restrictive covenants, including, without limitation, the restrictive covenants set forth in Section 11.

(c) **Process.** The Company and Executive shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination contemplated by Section 5(b).

(d) **Fees and Expenses.** The fees and expenses of the Accounting Firm for its services in collection with the determinations and calculations contemplated by this Section 5 shall be borne by the Company. If such fees and expenses are initially advanced by Executive, the Company shall reimburse Executive the full amount of such fees and expenses on the fifth (5th) business day after receipt from Executive of a statement therefore and reasonable evidence of Executive's payment thereof.

6. Obligations Absolute; No Mitigation; No Effect On Other Rights.

(a) **Absolute.** The obligations of the Company to make the payment to Executive, and to make the arrangements provided for herein, are absolute and unconditional and may not be reduced by any circumstances, including without limitation any set off, counterclaim (including, without limitation, pursuant to Section I I), recoupment, defense or other right which the Company may have against Executive or any third party at any time.

(b) **No Mitigation.** Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise, and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment.

(c) **Other Agreements.** The provisions of this Agreement, and any payment provided for herein, shall not supersede or in any way limit the rights, benefits, duties or obligations which Executive may now or in the future have under any benefit, incentive or other plan or arrangement of the Company or any other agreement with the Company, including, but not limited to, any restrictive covenants including non-competition agreements.

7. **Not an Employment Agreement.** Subject to the terms of this or any other agreement or arrangement between the Company and Executive that may then be in effect, nothing herein shall prevent the Company from terminating Executive's employment.

8. Successors; Binding Agreement; Assignment.

(a) **Company's Successors.** The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business of the Company, by agreement to expressly, absolutely and unconditionally assume and agree

to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, however, that no such express agreement shall be required in the event that such successor would assume this Agreement by operation of law. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a material breach of this Agreement and shall entitle Executive to terminate Executive's employment with the Company or such successor for Good Reason immediately prior to or within ninety (90) days after such succession. The Company shall have the right to assign all rights and obligations under this Agreement to an affiliate of the Company to which Executive provides substantially all of his or her services. As used in this Agreement, "Company" shall mean (i) the Company as hereinbefore defined, (ii) any successor to all or substantially all of the Company's business or assets which executes and delivers an agreement provided for in this Section 8(a) or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law, including any parent or subsidiary of such a successor and (iii) any affiliate of the Company that the Company assigns all rights and obligations under this Agreement to in accordance with this Section 8(a).

(b) **Executive's Successors.** This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amount would be payable to Executive hereunder if Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's estate or designated beneficiary. Neither this Agreement nor any right arising hereunder may be assigned or pledged by Executive.

9. **Notice.** For purpose of this Agreement, notices and all other communications provided for in this Agreement or contemplated hereby shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States certified or registered mail, return receipt requested, postage prepaid, and addressed, in the case of the Company, to the Company at:

P.O. Box 990
Minneapolis, MN 55440
Attention: Corporate Secretary

And, in the case of Executive, to Executive at the most current address shown on Executive's employment records. Either party may designate a different address or designate delivery by electronic mail by giving notice of change of address or electronic address in the manner provided above, except that notices of change of address or electronic address shall be effective only upon receipt.

10. **Expenses.** Subject to Executive prevailing on at least one material claim, in addition to all other amounts payable to Executive under this Agreement, the Company shall pay or reimburse Executive for legal fees (including, without limitation, any and all court costs and attorneys' fees and expenses) incurred by Executive in connection with or as a result of any claim, action or proceeding brought by the Company or Executive with respect to or arising out of this Agreement.

11. **Employee Covenants.** In consideration of this Agreement, and in recognition of the fact that, as a result of Executive's employment with the Company or any of its affiliates, Executive has had or will have access to and gain knowledge of highly confidential or proprietary information or trade secrets pertaining to the Company or its affiliates, as well as the customers, suppliers, joint ventures, licensors, licensees, distributors or other persons and entities with whom the Company or any of its affiliates does business ("Confidential Information"), which the Company or its affiliates have expended time, resources and money to obtain or develop and which have significant value to the Company and its affiliates, Executive agrees for the benefit of the Company and its affiliates, and as a material condition

to Executive's receipt of benefits described in this Agreement, as follows.

(a) **Non-Disclosure of Confidential Information.** Executive acknowledges that Executive will receive access or have received access to Confidential Information about the Company or its affiliates, that this information was obtained or developed by the Company or its affiliates at great expense and is zealously guarded by the Company and its affiliates from unauthorized disclosure and that Executive's possession of this special knowledge is due solely to Executive's employment with the Company or one or more of its affiliates. In recognition of the foregoing, Executive will not at any time during employment or following termination of employment for any reason, disclose, use or otherwise make available to any third party any Confidential Information relating to the Company's or any affiliate's business, products, services, customers, vendors or suppliers; trade secrets, data, specifications, developments, inventions and research activity; marketing and sales strategies, information and techniques; long- and short-term plans; existing and prospective client, vendor, supplier and employee lists, contacts and information; financial, personnel and information system information and applications; and any other information concerning the business of the Company or its affiliates which is not disclosed to the general public or known in the industry, except for disclosure necessary in the course of Executive's duties or with the express written consent of the Company. All Confidential Information, including all copies, notes regarding, and replications of such Confidential Information will remain the sole property of the Company or its affiliate, as applicable, and must be returned to the Company or such affiliate immediately upon termination of Executive's employment.

(b) **Return of Property.** Upon termination of employment with the Company or any of its affiliates, or at any other time at the request of the Company, Executive shall deliver to a designated Company representative all records, documents, hardware, software and all other property of the Company or its affiliates and all copies of such property in Executive's possession. Executive acknowledges and agrees that all such materials are the sole property of the Company or its affiliates and that Executive will certify in writing to the Company at the time of delivery, whether upon termination or otherwise, that Executive has complied with this obligation.

(c) **Non-Solicitation of Existing or Prospective Customers, Vendors and Suppliers.** Executive specifically acknowledges that the Confidential Information described in Section 11(a) includes confidential data pertaining to existing and prospective customers, vendors and suppliers of the Company or its affiliates; that such data is a valuable and unique asset of the business of the Company or its affiliates; and that the success or failure of their businesses depends upon their ability to establish and maintain close and continuing personal contacts and working relationships with such existing and prospective customers, vendors, and suppliers and to develop proposals which are specific to such existing and prospective customers, vendors, and suppliers. Therefore, during Executive's employment with the Company or any of its affiliates and for the twelve (12) months following termination of employment for any reason, Executive agrees that Executive will not, except on behalf of the Company or its affiliates, or with the Company's express written consent, solicit, approach, contact or attempt to solicit, approach or contact, either directly or indirectly, on Executive's own behalf or on behalf of any other person or entity, any existing or prospective customers, vendors or suppliers of the Company or its affiliates with whom Executive had contact or about whom Executive gained Confidential Information during Executive's employment with the Company or its affiliates for the purpose of obtaining business or engaging in any commercial relationship that would be competitive with the "Business of the Company" (as defined below in Section 11(e)(i)) or cause such customer, supplier, or vendor to materially change or terminate its business or commercial relationship with the Company or its affiliates.

(d) **Non-Solicitation of Employees.** Executive specifically acknowledges that the Confidential Information described in this Section II also includes confidential data pertaining to

employees and agents of the Company or its affiliates, and Executive further agrees that during Executive's employment with the Company or its affiliates and for the twelve (12) months following termination of employment for any reason, Executive will not, directly or indirectly, on Executive's own behalf or on behalf of any other person or entity, solicit, contact, approach, encourage, induce or attempt to solicit, contact, approach, encourage or induce any of the employees or agents of the Company or its affiliates to terminate their employment or agency with the Company or any of its affiliates.

(e) **Non-Competition.** Executive covenants and agrees that during Executive's employment with the Company or any of its affiliates and for the twelve (12) months following termination of employment for any reason, Executive will not, in any geographic market in which Executive worked on behalf of the Company or any of its affiliates, or for which Executive had any sales, marketing, operational, logistical or other management or oversight responsibility, engage in or carry on, directly or indirectly, as an owner, employee, agent, associate, consultant, partner or in any other capacity, a business competitive with the Business of the Company.

(i) The "Business of the Company" shall mean any business or activity engaged in by the Company or its affiliates related to grocery, hard discount retailing, pharmacy retailing or general merchandise retailing and supply chain logistics (including, but not limited to, grocery distribution, business-to-business portal, retail support services and third-party logistics), or presented in concept to Executive by the Company or its affiliates, or in which Executive becomes involved, at any time during Executive's employment with the Company or any of its affiliates.

(ii) To "engage in or carry on" shall mean to have ownership in such business (excluding ownership of up to 1% of the outstanding shares of a publicly-traded company) or to consult, work in, direct or have responsibility for any area of such business, including, but not limited to, operations, logistics, sales, marketing, finance, recruiting, sourcing, purchasing, information technology or customer service.

(f) **No Disparaging Statements.** Executive agrees they will not make, cause to be made, issue, release, authorize or confirm any comments or statements concerning the Company, either in writing, electronically, orally, or otherwise that (a) are disparaging or defamatory or portray the Company in a negative light, (b) in any way impair the reputation, goodwill, or legitimate business interest of the Company; or (c) disparage the employees, agents, officers, directors, pricing, products, policies, or services of the Company. This will apply, without limitation, to any (i) member of the general public; (ii) social media websites including but not limited to Facebook, LinkedIn, Twitter, My Space, Google Plus, YouTube, etc.; (iii) current, former or prospective employees and agents of the Company; (iv) current or future customers, licensees, vendors or referral sources; or (v) members of the press or other media. Notwithstanding the above, nothing herein shall preclude Executive from testifying under oath under power of a subpoena.

(g) **Remedies for Breach of These Covenants.** Any breach of the covenants in this Section 11 likely will cause irreparable harm to the Company or its affiliates for which money damages could not reasonably or adequately compensate the Company or its affiliates. Accordingly, the Company or any of its affiliates shall be entitled to all forms of injunctive relief (whether temporary, emergency, preliminary, prospective or permanent) to enforce such covenants, in addition to damages and other available remedies, and Executive consents to the issuance of such an injunction without the necessity of the Company or any such affiliate posting a bond or, if a court requires a bond to be posted, with a bond of no greater than Five Hundred Dollars (\$500) in principal amount. In the event that injunctive relief or damages are awarded to the Company or any of its affiliates for any breach by

Executive of this Section 11, Executive further agrees that the Company or such affiliate shall be entitled to recover its costs and attorneys' fees necessary to obtain such recovery. In addition, Executive agrees that upon Executive's breach of any covenant in this Section 11, all unexercised options issued under any stock option plans of the Company will immediately terminate and the Company shall have the right to exercise any and all of the rights described above.

(h) **Enforceability of These Covenants.** It is further agreed and understood by Executive and the Company that if any part, term or provision of these terms and conditions should be held to be unenforceable, invalid or illegal under any applicable law or rule, the offending term or provision shall be applied to the fullest extent enforceable, valid or lawful under such law or rule or, if that is not possible, the offending term or provision shall be struck and the remaining provisions of these Terms and Conditions shall not be affected or impaired in any way.

12. **Miscellaneous.** No provision of this Agreement may be amended, altered, modified, waived or discharged unless such amendment, alteration, modification, waiver or discharge is agreed to in writing signed by Executive and such officer of the Company as shall be specifically designated by the Leadership Development and Compensation Committee of the Board or by the Board.

(a) **Section 409A.** The ongoing obligations under this Agreement are intended to comply with the requirements of section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with section 409A of the Code. To the extent that any payments or benefits to be provided to Executive under this Agreement would be considered deferred compensation within the meaning of section 409A of the Code and Executive is, as of Separation from Service, a "specified employee" as defined in regulations issued under section 409A of the Code, then any such payments that would otherwise be due and payable during the first six (6) months following and on account of a Separation from Service shall instead be paid to Executive upon the earlier of (i) six (6) months and one (1) day after the date of Executive's Separation from Service or (ii) any other date permitted under section 409A(a)(2) of the Code and section 409A(a)(3) of the Code. To the extent that any payments or benefits to be provided to Executive under this Agreement would be considered deferred compensation under section 409A of the Code, the provisions of this Agreement pertaining thereto shall be construed and administered to comply with section 409A. Any payments that qualify for the "short term deferral" exception under Treasury Regulations Section 1.409A-1 (b)(4), the "separation pay" exception under Treasury Regulations Section 1.409A-1(b)(9)(iii) or any other exception under section 409A of the Code shall be paid under the applicable exceptions to the greatest extent possible. Each payment under this Agreement shall be treated as a separate payment for purposes of section 409A of the Code. All reimbursements and in-kind benefits that constitute deferred compensation within the meaning of section 409A of the Code provided under this Agreement shall be made or provided in accordance with the requirements of section 409A of the Code, including, without limitation, that (i) in no event shall reimbursements by the Company under this Agreement be made later than the end of the calendar year next following the calendar year in which the applicable fees and expenses were incurred; provided, that Executive shall have submitted an invoice for such fees and expenses at least ten (10) days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred; (ii) the amount of in-kind benefits that the Company is obligated to pay or provide in any given calendar year shall not affect the in-kind benefits that the Company is obligated to pay or provide in any other calendar year; (iii) Executive's right to have the Company pay or provide such reimbursements and in-kind benefits may not be liquidated or exchanged for any other benefit; and (iv) in no event shall the Company's obligations to make such reimbursements or to provide such in-kind benefits apply later than Executive's remaining lifetime (or if longer, through the twentieth (20th) anniversary of the date first written above). Neither the Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to Executive or any other person for any taxes, penalties, interest or like amounts that may be imposed on Executive or other person on account of

any amounts paid or payable under this Agreement or on account of any failure to comply with section 409A of the Code.

(b) **No Waivers.** No waiver by either party, at any time, of any breach by the other party of, or of compliance by the other party with, any condition or provision of this Agreement to be performed or complied with by such other party shall be deemed a waiver of any similar or dissimilar provision or condition of this Agreement or any other breach of or failure to comply with the same condition or provision at the same time or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to its conflict of laws rules. Any action brought by Executive or the Company shall be brought and maintained in a court of competent jurisdiction in the State of Minnesota (in the case of injunctive relief) or in an arbitration forum in Minneapolis, Minnesota in accordance with the American Arbitration Association's arbitration rules and procedures.

(c) **Release of Claims Required.**

(i) Notwithstanding any other provision of this Agreement, no benefits shall be paid pursuant to Section 4(a) if Executive:

(1) fails to execute and deliver to the Company a release of claims (the "Release of Claims") in the form and manner prescribed by the Company, within the time set forth in the Release of Claims, or

(2) revokes or rescinds such Release of Claims and Agreement during the revocation or rescission period set forth in such Release of Claims.

(ii) The Release of Claims will include Executive's agreements related to confidentiality, non-competition, non-solicitation, non-disparagement and arbitration.

(iii) It is the responsibility of the Company to timely deliver to Executive the Company's form of Release of Claims, such that Executive is afforded such period as may be required by applicable statute or regulation to consider whether to sign the Release of Claims and whether to revoke or rescind such Release of Claims.

13. **Severability.** If any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby. To the extent permitted by applicable law, each party hereto waives any provision of law which renders any provision of this Agreement invalid, illegal or unenforceable in any respect.

14. **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be an original and all of which shall be deemed to constitute one and the same instrument.

15. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein (except that any other non-disclosure, non-competition or non-solicitation agreements or provisions the parties hereto have entered into shall continue to be in effect).

16. **Definitions.** The following terms, and terms derived from the following terms, shall have the following meanings when used in this Agreement with initial capital letters unless, in the context, it would be unreasonable to do so.

(a) **Anticipatory Separation** shall mean a Separation from Service that occurs before a Change of Control:

(i) if either:

(1) the Separation from Service follows any event or condition described in clauses (i) through (iv) of the Good Reason definition, or

(2) it is a Separation from Service without Cause, and

(ii) Executive reasonably demonstrates:

(1) the events leading up to the Separation from Service was at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change of Control, or

(2) otherwise arose in connection with or in anticipation of a Change of Control.

(b) **Base Salary** shall mean the base salary in effect on the date immediately prior to the Change of Control.

(c) **Cause** shall mean:

(i) the continued failure of Executive to perform Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Executive by the Board or an officer of the Company which specifically identifies the manner in which the Board or the officer believes that Executive has not substantially performed Executive's duties and after Executive has had six (6) months to improve performance to the Company's expectations;

(ii) the conviction of, or plea of guilty or nolo contendere to, a felony or the willful engaging by Executive in conduct which is materially and demonstrably injurious to the Company;

(iii) Executive's commission of an act or acts of personal dishonesty intended to result in substantial personal enrichment of Executive at the expense of the Company; or

(iv) Executive's failure to comply with Company policies relating to Code of Business Conduct, Equal Employment Opportunities and Harassment or Workplace Violence;

provided, however, that in no event shall Cause exist by virtue of any action taken by Executive (A) in compliance with express written directions of the Board, the Company's Chief Executive Officer or the officer to whom Executive reports or (B) in reliance upon the express written consent of the Company's counsel.

In each case above, for a Separation from Service to be for Cause: (A) Executive must be provided with a Notice of Termination (as described in Section 3(d)) within six (6) months after the Board has actual knowledge of the act or omission constituting Cause; (B) Executive must be provided with an opportunity to be heard by the Board no earlier than thirty (30) days following the Notice of Termination (during which notice period Executive has failed to cure or resolve the behavior in question);

and (C) there must be a good faith determination of Cause by at least 2/3rds of the non-employee outside directors of the Company.

Whether a Separation from Service is for Cause as provided above will be determined by the Company in its sole discretion based on all the facts and circumstances.

(d) **Change of Control** shall be deemed to have occurred upon any of the following events:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (A) the then outstanding shares of common stock of the Company, or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors; provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (A) any acquisition directly from the Company, or (B) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or

(ii) the consummation of any merger or other business combination of the Company, sale or lease of all or substantially all of the Company's assets or combination of the foregoing transactions (the "Transactions") other than a Transaction immediately following which the stockholders of the Company and any trustee or fiduciary of any Company employee benefit plan immediately prior to the Transaction own at least sixty percent (60%) of the voting power, directly or indirectly, of (A) the surviving corporation in any such merger or other business combination, (B) the purchaser or lessee of the Company's assets, or (C) both the surviving corporation and the purchaser or lessee in the event of any combination of Transactions; or

(iii) within any 24-month period, the persons who were directors immediately before the beginning of such period (the "Incumbent Directors") shall cease (for any reason other than death) to constitute at least a majority of the Board or the board of directors of a successor to the Company. For this purpose, any director who was not a director at the beginning of such period shall be deemed to be an Incumbent Director if such director was elected to the Board by, or on the recommendation of or with the approval of, at least three-fourths of the directors who then qualified as Incumbent Directors (so long as such director was not nominated by a person who has expressed an intent to effect a Change of Control or engage in a proxy or other control contest).

(e) **COC Date** shall mean the date on which a Change of Control occurs. However, if Executive has a Separation from Service prior to a Change of Control by reason of an Anticipatory Separation, the COC Date for Executive shall be the date immediately preceding the occurrence of that Anticipatory Separation.

(f) **Disability** shall have the same meaning as in the Company's long-term disability plan.

(g) **Employment Period** shall mean the period commencing on the COC Date and ending on the second anniversary of the COC Date.

(h) **Good Reason** shall mean any one or more of the following events occurring during the two-year period following the COC Date:

(i) Executive's annual base salary is reduced below the amount in effect on the date immediately prior to the COC Date;

(ii) Executive's actual annual bonus is less than the Target Bonus as it existed on the date immediately prior to the COC Date;

(iii) Executive's title is reduced from the title that Executive had on the date immediately prior to the COC Date, or Executive's duties and responsibilities are materially and adversely diminished in comparison to the duties and responsibilities that Executive had on the date immediately prior to the COC Date other than in a general reduction of the number or scope of personnel for which Executive is responsible for supervising which reduction occurs in connection with a restructuring or recapitalization of the Company or the division of the Company in which Executive works;

(iv) the program of long-term incentive compensation is materially and adversely diminished in comparison to the program of long-term incentive compensation as it existed for Executive on the date immediately prior to the COC Date (for purposes of this clause (iv), a reduction of fifteen percent (15%) or more of the annualized target dollar amount of Executive's long-term incentive compensation as it existed for Executive on the date immediately prior to the COC Date based on Executive's most recent awards of long-term incentive compensation in the three years prior to the COC Date (or, if Executive has been granted long term incentive opportunities for less than three years, based on all of the years of long-term incentive opportunities provided to Executive) shall be considered to be material and adverse);

(v) Executive is required to be based at a place of employment that is more than forty-five (45) miles from Executive's place of employment on the date immediately prior to the COC Date;

(vi) failure by the Company to provide for the assumption of this Agreement by any successor entity; or

(vii) a material breach by the Company of the terms of this Agreement;

provided, however, that any diminution of duties or responsibilities that occurs solely as a result of the fact that the Company ceases to be a public company or that the size of the Company has been reduced as a result of the Change of Control shall not, in and of itself, constitute Good Reason.

(i) **Notice of Termination** shall mean a written notice which shall indicate the specific provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for Executive's Separation from Service under the provisions so

indicated.

(j) **Separation from Service** shall mean a severance of Executive's employment for reasons other than death under circumstances that would qualify as a separation from service as that term is used and defined under section 409A of the Code.

(i) Whether a Separation from Service has occurred is determined based on whether the facts and circumstances indicate that the Company and Executive both reasonably anticipated that no further services would be performed after a certain date or that the level of bonafide services Executive would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bonafide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty-six (36)- month period (or the full period of services to the Company if Executive has been providing services to the Company less than thirty-six (36) months).

(ii) A transfer from employment with the Company to employment with an affiliate of the Company shall not constitute a Separation from Service.

(iii) A Separation from Service shall not be deemed to occur while Executive is on military leave, sick leave or other bonafide leave of absence if the period does not exceed six (6) months or, if longer, so long as Executive retains a right to reemployment with the Company or an affiliate under an applicable statute or by contract. For this purpose, a leave is bonafide only if, and so long as, there is a reasonable expectation that Executive will return to perform services for the Company or an affiliate.

(iv) Notwithstanding the foregoing, a twenty nine (29) month period of absence will be substituted for such six (6) month period if the leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of no less than six (6) months and that causes Executive to be unable to perform the duties of his or her position of employment.

(k) **Separation from Service Date** shall mean the date on which a Separation from Service occurs.

(l) **Target Bonus** shall mean the target amount of bonus expressed as a percentage of annual base salary established under the annual bonus plan for Executive for the year in which the Separation from Service occurs. When the context requires, it shall also mean the target amount of bonus established for any earlier or later year.

17. **Dispute Resolution.**

(a) **ERISA §503 Procedure.** Executive and the Company agree that any controversy, claim or dispute arising out of or relating to this Agreement (including, but not necessarily being limited to, the manner of giving the Notice of Termination, the reasons or cause for Executive's Separation from Service or the amount of compensation due to Executive subsequent to Executive's Separation from Service), excluding, however, claims by the Company relating to Executive's breach of any of the employee covenants set forth in Section II above, shall be subject to a claims adjudication process analogous to the ERISA §503 process set forth in the SUPERVALU INC. Executive & Officer Severance Pay Plan. Notwithstanding the foregoing, in any litigation or arbitration regarding such

matter, deference shall not be afforded to any determination that is made in whole or in part under that process subsequent to a COC Date.

(b) **Agreement to Arbitrate.** The parties intend to resolve disputes under this Agreement in an efficient, streamlined matter. Consequently, any such claims not resolved after exhausting that process, as well as any claims by the Company relating to Executive's breach of any of the employee covenants set forth in Section 11 above, shall be resolved by binding arbitration before a neutral arbitrator in Minneapolis, Minnesota under rules set forth in the Federal Arbitration Act and in accordance with the rules and procedures of the American Arbitration Association. Any issues of arbitrability must be decided by the arbitrator, not a court. Any claim regarding this Agreement can only be arbitrated on an individual, not a class or collective basis. Executive and the Company agree that claims regarding this Agreement may be brought in an appropriate administrative forum, but at the point at which Executive or the Company seeks a judicial forum to resolve the matter, the agreement for binding arbitration becomes effective, and Executive and the Company hereby knowingly and voluntarily waive any right to have any such dispute tried and adjudicated by a judge or jury. During any period in which an Executive's claim for any benefit under this Agreement is pending (whether under Section 17(a) or Section 17(b)), Executive shall continue to receive Executive's salary (including any bonus) and benefits as if Executive's employment with the Company had continued through the date of the arbitrator's determination, and any such payments or benefits shall not be offset against any severance, either under this Agreement or otherwise, to which Executive may be entitled. The agreement to arbitrate shall continue in full force and effect despite the expiration or termination of Executive's employment relationship with the Company or any of its affiliates

(c) **Judicial Enforcement.** Notwithstanding the foregoing, the Company may seek to enforce the employee covenants set forth in Section II above, in any court of competent jurisdiction, as described in subsection (e) below.

(d) **Arbitration Process.** Executive and the Company agree that any award rendered by the arbitrator shall be final and binding and that judgment upon the final award may be entered in any court having jurisdiction thereof. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable, including any remedy or relief that would have been available to Executive, the Company or any of its affiliates had the matter been heard in court. All expenses of the arbitration, including the required travel and other expenses of the arbitrator and any witnesses, and the costs relating to any proof produced at the direction of the arbitrator, shall be borne equally by Executive and the Company unless otherwise mutually agreed or unless the arbitrator directs otherwise in the award. The arbitrator's compensation shall be borne equally by Executive and the Company unless otherwise mutually agreed or unless the law provides otherwise.

(e) **Injunction and Finality.** Executive agrees that any breach of the covenants contained in Section II would irreparably injure the Company. Executive and the Company agree that the Company is entitled to seek an injunction temporarily or preliminarily restraining a violation of this Agreement without having to first file an arbitration action. In addition, the Company and Executive agree that for purposes of a court issuing temporary or preliminary injunctive relief, the Company and Executive specifically agree that any violation of this Agreement would result in an irreparable injury, and therefore waive any argument that such a violation would not result in an irreparable injury. The Company and Executive further specifically agree that this Agreement is valid, enforceable and designed to protect the Company's legitimate business interests, and therefore waive any argument that this Agreement is invalid, unenforceable, or not designed to protect the Company's legitimate business interests. Any temporary or preliminary order issued shall be without prejudice to any final decision reached by an arbitrator pursuant to this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Witnesses:
(To be completed by Home Office)

SUPERVALU INC.

/s/ Marie Pidde

/s/ Michele Murphy

Name: Michele Murphy
Title: Executive Vice President
Human Resources and
Communications

/s/ Kristine Sundberg

/s/ Michael Stigers

Michael Stigers

TRANSITION AGREEMENT

This Transition Agreement (this "Transition Agreement") is entered into as of October 22, 2018 by and among Michael Stigers ("Executive"), SUPERVALU INC. ("Company") and United Natural Foods, Inc. ("UNFI" and together with Executive and Company, the "Parties").

WHEREAS, Company, SUPERVALU Enterprises, Inc., UNFI and Jedi Merger Sub, Inc. are parties to an Agreement and Plan of Merger, dated as of July 25, 2018 (as it may be amended from time to time, the "Merger Agreement"), pursuant to which Company will be acquired by UNFI on the terms and subject to the conditions set forth in the Merger Agreement (the "Acquisition"); and

WHEREAS, Executive and Company are parties to that certain Change of Control Severance Agreement, dated as of November 30, 2015 (the "Change of Control Agreement"), generally pursuant to which Executive is eligible for certain payments and benefits in the event of a Separation from Service Incident to a Change of Control (as described in Section 3(a) of the Change of Control Agreement) including one resulting from the existence of "Good Reason" (as defined in the Change of Control Agreement); and

WHEREAS, the Parties wish to set forth their agreement with respect to certain terms and conditions of Executive's employment during a transition period following the Acquisition and the treatment thereof under the Change of Control Agreement.

NOW, THEREFORE, the Parties mutually agree as follows:

1. Certain Definitions. Capitalized terms used but not defined in this Transition Agreement shall have the respective meanings ascribed to them in the Merger Agreement or the Change of Control Agreement, as the case may be.
 2. Change of Control. The Parties hereby acknowledge and agree the Closing of the Acquisition shall be a Change of Control for purposes of the Change of Control Agreement and the date of such Closing shall be the COC Date for purposes of the Change of Control Agreement.
 3. Executive's Employment Following Acquisition. For the period (the "Transition Period") commencing upon the Closing of the Acquisition and ending upon the second anniversary of the Closing Date, Executive shall have the title of Executive Vice President, Wholesale and report to Sean Griffin.
 4. Compensation. During the Transition Period, Executive shall receive an annual base salary of \$575,000 paid in accordance with UNFI's payroll practices. Executive will be eligible to participate in UNFI's Annual Incentive Plan targeted at 75% of Executive's annual base salary based on achievement of certain fiscal year goals and incentives, however, the annual incentive amount will be no less than the target amount. Such annual
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incentive shall be payable in conjunction with all fiscal year-end incentive payments and will be prorated based on the date the Transition Period commences. Executive shall also be eligible to participate in UNFI's Long-Term Equity Incentive Program. Awards under the program must be approved by the Compensation Committee and are typically awarded during the first quarter of UNFI's fiscal year. Consistent with Section 5.5(a) of the Merger Agreement, Executive shall receive an equity grant in September of 2019 as part of UNFI's normal cycle and this grant shall be increased prorata to reflect the period of time between February 23, 2019 and July 31, 2019. Additionally, for the equity grant that is to be made in September of 2019, the amount would be 150% of base salary (prior to the prorata increase) that is split between performance stock units and restricted stock units. Executive shall also receive employee benefits in accordance with the provisions of the Merger Agreement.

5. Expiration of Transition Period. Upon the expiration of the Transition Period, the COC Agreement shall be without any further force or effect, and Executive and UNFI will determine the terms and conditions of any continuing employment relationship.
6. Restrictive Covenants. During the Transition Period and in respect of any employment termination that occurs during the Transition Period, the provisions of Section 11 of the Change of Control Agreement (relating to Employee Covenants) shall apply. Upon and after the expiration of the Transition Period, the provisions set forth in Exhibit A to this Transition Agreement shall apply to Executive's continuing employment relationship (as applicable) and in respect of any termination thereof following the Transition Period.
7. Effect on Change of Control Agreement. The Parties agree that Executive's employment following the Acquisition under the terms and conditions described in this Agreement shall not constitute "Good Reason" for purposes of the Change of Control Agreement. Except as specifically set forth herein, the Change of Control Agreement shall remain in effect in accordance with its terms.
8. Subject to Acquisition; Amendment. The effectiveness of this Agreement is subject to and conditioned upon the Closing of the Acquisition and if such Closing does not occur, this Transition Agreement shall be null and void ab initio and of no force or effect. This Transition Agreement may not be amended without the written consent of each of the Parties.

SIGNATURE PAGE FOLLOWS

EXHIBIT A

RESTRICTIVE COVENANTS

In consideration of this Transition Agreement of which this Exhibit A forms a part and in connection with the consummation of the Acquisition, and in recognition of the fact that, as a result of Executive's employment, Executive has had or will have access to and gain knowledge of Confidential Information (as defined below), which the Company, UNFI or any of their respective affiliates has expended time, resources and money to obtain or develop and which have significant value to the Company, UNFI or any of their respective affiliates, Executive agrees for the benefit of the Company, UNFI and their respective affiliates, and as a material condition to Executive's receipt of benefits described in this Transition Agreement, as follows:

- 1) *Non-Disclosure of Confidential Information.* Executive acknowledges that Executive will receive access or has received access to confidential or proprietary information or trade secrets pertaining to one or more of the Company, UNFI or their respective affiliates, as well as the customers, suppliers, joint ventures, licensors, licensees, distributors or other persons and entities with whom the Company, UNFI or any of their respective affiliates, does business ("Confidential Information"). Executive acknowledges that this Confidential Information was obtained or developed by the Company, UNFI or any of their respective affiliates at great expense and is zealously guarded by the Company, UNFI or any of their respective affiliates from unauthorized disclosure and that Executive's possession of this special knowledge is due solely to Executive's employment with the Company, UNFI or their respective affiliates. In recognition of the foregoing, Executive will not at any time during employment or following termination of employment for any reason, disclose, use or otherwise make available to any third party any Confidential Information relating to the Company's, UNFI's or any of their respective affiliate's business, products, services, customers, vendors or suppliers; trade secrets, data, specifications, developments, inventions and research activity; marketing and sales strategies, information and techniques; long- and short-term plans; existing and prospective client, vendor, supplier and employee lists, contacts and information; financial, personnel and information system information and applications; and any other information concerning the business of the Company, UNFI or any of their respective affiliates which is not disclosed to the general public or known in the industry, except for disclosure necessary in the course of Executive's duties or with the express written consent of the Company or UNFI, as applicable. All Confidential Information, including all copies, notes regarding, and replications of such Confidential Information will remain the sole property of the Company, UNFI or their respective affiliate, as applicable, and must be returned to the Company, UNFI or such respective affiliate immediately upon termination of Executive's employment.
 - 2) *Return of Property.* Upon termination of employment with the Company, UNFI or any of their respective affiliates, or at any other time at the request of the Company or UNFI, Executive shall deliver to a designated Company or UNFI representative all records, documents, hardware, software and all other property of the Company, UNFI or their respective affiliates and all copies of such property in Executive's possession. Executive acknowledges and agrees that all such materials are the sole property of the Company,
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UNFI or their respective affiliates and that Executive will certify in writing to the Company or UNFI as applicable at the time of delivery, whether upon termination or otherwise, that Executive has complied with this obligation.

- 3) *Non-Solicitation of Existing or Prospective Customers, Vendors and Suppliers.* Executive specifically acknowledges that the Confidential Information includes confidential data pertaining to existing and prospective customers, vendors and suppliers of the Company, UNFI and their respective affiliates; that such data is a valuable and unique asset of the business of the Company, UNFI and their affiliates; and that the success or failure of their businesses depends upon their ability to establish and maintain close and continuing personal contacts and working relationships with such existing and prospective customers, vendors, and suppliers and to develop proposals which are specific to such existing and prospective customers, vendors, and suppliers. Therefore, during Executive's employment with the Company, UNFI or their respective affiliates and for the twelve (12) months following termination of such employment for any reason, Executive agrees that Executive will not, except on behalf of the Company, UNFI or their respective affiliates, or with the Company's or UNFI's express written consent, solicit, approach, contact or attempt to solicit, approach or contact, either directly or indirectly, on Executive's own behalf or on behalf of any other person or entity, any existing or prospective customers, vendors or suppliers of the Company, UNFI or their respective affiliates with whom Executive had contact or about whom Executive gained Confidential Information during Executive's employment with the Company, UNFI or their respective affiliates for the purpose of obtaining business or engaging in the "Business of the Company" (as defined in Section 5 of this Exhibit A), or cause such customer, supplier, or vendor to materially change or terminate its business or commercial relationship with the Company, UNFI or their respective affiliates.
 - 4) *Non-Solicitation of Employees.* Executive specifically acknowledges that the Confidential Information described in this Exhibit A also includes confidential data pertaining to employees and agents of the Company, UNFI or their affiliates, and Executive further agrees that during Executive's employment with the Company, UNFI or their affiliates and for the twelve (12) months following termination of such employment for any reason, Executive will not, directly or indirectly, on Executive's own behalf or on behalf of any other person or entity, solicit, contact, approach, encourage, induce or attempt to solicit, contact, approach, encourage or induce any of the employees or agents of the Company, UNFI or their respective affiliates to terminate their employment or agency with the Company, UNFI or any of their respective affiliates.
 - 5) *Non-Competition.* Executive covenants and agrees that during Executive's employment with the Company, UNFI or any of their respective affiliates and for the twelve (12) months following termination of such employment for any reason, Executive will not, in any geographic market in which Executive worked on behalf of the Company, UNFI or any of their respective affiliates, or for which Executive had any sales, marketing, operational, logistical or other management or oversight responsibility, engage in or carry on the Business of the Company (as defined below) directly or indirectly, as an owner, executive-level, senior-level or management-level employee, agent, associate, consultant, partner or in any other capacity.
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- 1) The "Business of the Company" shall mean any business or activity engaged in by the Company, UNFI or their respective affiliates related to grocery, hard discount retailing, pharmacy retailing or general merchandise retailing and supply chain logistics (including, but not limited to, grocery distribution, business-to-business portal, retail support services and third-party logistics), or presented in concept to Executive by the Company, UNFI or its affiliates, or in which Executive becomes involved, at any time during Executive's employment with the Company, UNFI or any of their respective affiliates.
 - 2) To "engage in or carry on" shall mean to have ownership in such business (excluding ownership of up to 1 % of the outstanding shares of a publicly• traded company) or to consult, work in, direct or have responsibility for any area of such business (with or without compensation), including, but not limited to, operations, logistics, sales, marketing, finance, recruiting, sourcing, purchasing, information technology or customer service.
- 6) *No Disparaging Statements.* Executive agrees that Executive will not make, cause to be made, issue, release, authorize or confirm any comments or statements concerning the Company or UNFI, either in writing, electronically, orally, or otherwise that (a) are disparaging or defamatory or portray the Company or UNFI in a negative light, (b) in any way impair the reputation, goodwill, or legitimate business interest of the Company or UNFI; or (c) disparage the employees, agents, officers, directors, pricing, products, policies, or services of the Company or UNFI. This will apply, without limitation, to any (i) member of the general public; (ii) social media websites including but not limited to Facebook, LinkedIn Twitter, My Space, Google Plus, YouTube, etc.; (iii) current, former or prospective employees and agents of the Company and UNFI; (iv) current or future customers, licensees, vendors or referral sources; or (v) members of the press or other media. Notwithstanding the above, nothing herein shall preclude Executive from testifying under oath under power of a subpoena.
- 7) *Remedies for Breach of These Covenants.* Executive acknowledges and agrees that any breach of the covenants in this Exhibit A will cause irreparable harm to the Company, UNFI or their respective affiliates for which money damages could not reasonably or adequately compensate the Company, UNFI or their respective affiliates. Accordingly, the Company, UNFI and their respective affiliates shall be entitled to all forms of injunctive relief (whether temporary, emergency, preliminary, prospective or permanent) to enforce such covenants, in addition to damages and other available remedies, and Executive consents to the issuance of such an injunction without the necessity of the Company, UNFI or any such affiliate posting a bond or, if a court requires a bond to be posted, with a bond of no greater than Five Hundred Dollars (\$500) in principal amount. In the event that injunctive relief or damages are awarded to the Company, UNFI or any of their respective affiliates for any breach by Executive of this Exhibit A, Executive further agrees that the Company, UNFI or such affiliate shall be entitled to recover its costs and attorneys' fees necessary to obtain such recovery. In addition, Executive agrees that upon Executive's breach of any covenant in this Exhibit A, all unexercised options issued under any stock option plans of the Company will immediately terminate and the Company shall have the right to exercise any and all of the rights described above.
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- 8) *Enforceability of These Covenants.* It is further agreed and understood by Executive, the Company and UNFI that if any part, term or provision of these terms and conditions should be held to be unenforceable, invalid or illegal under any applicable law or rule, the offending term or provision shall be modified by a court of competent jurisdiction and then applied to the fullest extent enforceable, valid or lawful under such law or rule or, if that is not possible, the offending term or provision shall be struck and the remaining provisions of this Exhibit A shall not be affected or impaired in any way.

 - 9) *Application to Surviving Company.* As used in this Exhibit A, references to the "Company" and as applicable its affiliates shall encompass SUPERVALU INC. and its affiliates both before and after the consummation of the Acquisition.
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In recognition whereof, the parties hereto do affix their signatures.

SUPERVALU INC.

Name: Michael Stigers

Title: Executive Vice President, Wholesale

Signature: /s/ Michael Stigers

Date: 10/22/2018

United Natural Foods, Inc.

Name: Danielle Benedict

Title: Chief Human Resource Officer

Signature: /s/ Danielle Benedict

Date: October 22, 2018

AMENDMENT TO TRANSITION AGREEMENT

The October 22, 2018 Transition Agreement between Michael Stigers ("Executive), SUPERVALU, INC. ("Company), and United Natural Foods, Inc. ("UNFI" and together with Executive and Company, the "Parties"), is hereby amended as set forth below. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Transition Agreement.

1. Section 3, Executive's Employment Following Acquisition. Effective immediately, and continuing for the remainder of the Transition Period, Executive shall have the title of Chief Executive Officer, Cub Foods Retail, and shall continue to report to Sean Griffin.

The Company acknowledges and agrees that this change to Executive's title and job duties would constitute "Good Reason" for purposes of the Change of Control Agreement, and that until otherwise agreed by the Executive, and notwithstanding anything set forth in Section 3 of the Change in Control Agreement to the Contrary, he shall be entitled to exercise rights under the Change of Control Agreement as a result of these changes in duties until the end of the Transition Period (i.e., no later than October 21, 2020). Notwithstanding anything in the Change of Control Agreement to the contrary, however, Executive must provide the Company with at least one hundred twenty (120) days notice of his intent to exercise rights under the Change in Control Agreement under this Section 1. The Company shall not be required to attempt to cure the events giving rise to this trigger, and the Company may elect to immediately comply with the terms of the Change in Control Agreement; provided, however, that the Executive agrees that if the Company so requests, he shall perform his required duties and accountabilities fully (including but not limited to any transition services for a successor to his role) for this entire one hundred twenty (120) day period, in order to obtain the rights set out in the Change in Control Agreement as a result of such termination.

2. Section 4, Compensation. Executive shall continue to receive the compensation set forth in Section 4 of the Transition Agreement. In addition, Executive shall be eligible to receive an Incentive Payment, contingent on and subject to the conditions below related to the sale of Cub Foods Retail ("the Sale"). Any Incentive Payment due under this Section 2 shall be paid within thirty (30) days of the successful closing of the Sale, provided that all payments will be made in accordance with Section 409A of the Internal Revenue Code, as applicable.
 - a. Executive's eligibility to receive an Incentive Payment pursuant to this Section 2 is expressly contingent on the public announcement of the Sale ("the Announced Sale") occurring prior to the expiration of the Transition Period, and a subsequent successful closing of the Sale (even if such closing occurs after the expiration of the Transition Period).
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- b. The Purchase Price for purposes of determining the amount of the Incentive Payment shall be the amount paid by the Buyer for the Sale, net of(i.e. as duly reduced by) any deductions of any type or nature, including but not limited to any multi-employer pension liability, the exclusion of any real estate assets, or any other deductions, reductions, or exclusions.
- c. Executive shall not be entitled to an Incentive Payment if he is not employed by UNFI or the Company as of the date of the Announced Sale, for any reason.
- d. Contingent on and subject to the above conditions, Executive shall be eligible for an Incentive Payment as follows:

Purchase Price:		<u>Payment</u>
	\$200,000,000 or greater	\$1,000,000
	Between \$180,000,000 and \$199,999,999	\$800,000
	Less than \$180,000,000	\$500,000

- 3. Transition Agreement Remains in Effect. Except where specifically modified, the Transition Agreement shall remain in full force and effect. For the avoidance of doubt, Executive acknowledges and agrees that, as set forth in Section 6 of the Transition Agreement, upon the expiration of the Transition Period, the COC Agreement (except as expressly set forth in this Amendment) shall be without further force or effect and Executive and UNFI will determine the terms and conditions of any continuing employment relationship.
- 4. Amendment. This Amendment to Transition Agreement may not be amended without the written consent of the Parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the dates set forth below.

United Natural Foods, Inc.

By: /s/ Sean Griffin
 Title: CEO SVU
 Date: 3/27/19

Michael Stigers

Signature: /s/ Michael Stigers
 Date: 3/27/2019

SUPERVALU, INC.

By: /s/ Sean Griffin
 Title: CEO
 Date: 3/27/19

SECOND AMENDMENT TO TRANSITION AGREEMENT

The October 22, 2018 Transition Agreement between Michael Stigers (“Executive”), SUPERVALU INC. (“Company”), and United Natural Foods, Inc. (“UNFI” and together with Executive and Company, the “Parties”), is hereby further amended as set forth below by this SECOND AMENDMENT TO TRANSITION AGREEMENT dated effective May 12, 2020 (“Second Amendment”). Capitalized terms not otherwise defined in this Second Amendment shall have the same meaning as set forth in the Transition Agreement and/or the AMENDMENT TO TRANSITION AGREEMENT between the parties, dated March 27, 2019 (“First Amendment”).

1. Section 3, Executive’s Employment Following Acquisition. As set forth in the First Amendment, and continuing for the remainder of the Transition Period, Executive shall have the title of Chief Executive Officer, Cub Foods Retail and Shoppers, and shall report to UNFI’s Chief Executive Officer.

The Company has previously acknowledged and agreed that the change to Executive’s title and job duties outlined in the First Amendment (and for greater clarity the additional change of removing the Fresh Produce and Protein business and the addition of the Shoppers retail business and banner to his responsibilities and accountabilities after the date of the First Amendment), would constitute “Good Reason” for purposes of the Change of Control Agreement, and that, notwithstanding anything set forth in Section 3 of the Change in Control Agreement to the Contrary, he shall be entitled to exercise rights under the Change in Control Agreement as a result of these changes in duties until the end of the Transition Period. Furthermore, the parties have agreed that the Transition Period, defined in the First Amendment, shall be extended until July 31, 2021 (“Transition Period”). Notwithstanding anything in the Change of Control Agreement to the contrary, however, Executive must provide the Company with at least one hundred twenty (120) days’ notice of his intent to exercise rights under the Change in Control Agreement under this Section 1 prior to the expiration of the Transition Period. The Company shall not be required to attempt to cure the events giving rise to this trigger, and the Company may elect to immediately comply with the terms of the Change in Control Agreement; provided, however, that the Executive agrees that if the Company so requests, he shall perform his required duties and accountabilities fully (including but not limited to any transition services for a successor to his role) for this entire one hundred twenty (120) day period, in order to obtain the rights set out in the Change in Control Agreement as a result of such termination.

2. Section 4, Compensation. Executive shall continue to receive the compensation set forth in Section 4 of the Transition Agreement, except as modified by Section 3 herein below. The incentive payment set forth and described in the First Amendment related to the sale of the Cub retail banner is hereby deleted in its entirety. Any special payments to be made to Executive in connection with the of the Cub retail operating busines must be set
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forth and described in a separate writing mutually agreed to by the Company and Executive prior to such sale.

3. Amendment of Short-Term Incentive Payment Terms in the Change of Control Agreement. Section 2(b)(iii) of the Change of Control Agreement shall be amended and restated as follows.

For the fiscal year 2020 short-term incentive payment, and for any short-term incentive payment for any future year (fiscal 2021 or later), during the term of Executive's employment with the Company, Executive shall be paid based upon actual results, as determined based upon the methodology and subject to any adjustments applied to the bonus payments of other executives of the Company holding a substantially equivalent level of responsibility as the Executive. This short-term (annual) bonus will be paid to Executive after the calculation thereof based on actual results as aforementioned, at the same time such payment is paid similarly situated executives at UNFI. For the short-term (annual) incentive payment for fiscal 2020, however, the following additional adjustment shall be made to Executive's short-term incentive entitlement and payment:

Executive's fiscal 2020 short-term entitlement shall be determined based on actual results for fiscal 2020. This amount shall then be reduced by \$246,372.43, which represents the excess over the bonus Executive would have received if his payment was based on actual results, that Executive was paid for fiscal 2019 based on the terms of the Transition Agreement then in effect ("Fiscal 2020 STI Payment").

If the Executive's Fiscal 2020 STI Payment, as determined in accordance with the immediately preceding paragraph yields a payout to the Executive when combined with his 2019 payment, that would be less than what Executive would have received if he had been paid the short-term incentive payments at "target" for both years, then the Fiscal 2020 STI Payment shall be increased to the amount equivalent to Executive being paid at "target" for both fiscal years 2019 and 2020 (*i.e.*, total "target" for both years is equivalent to \$871,960.53; Executive received \$435,980.23 ("target" short-term bonus) for 2019; any increased payment under this provision would be the excess of \$435,980.23 over the actual Fiscal 2020 STI Payment (as calculated in accordance with the foregoing paragraph) –to the extent the Fiscal 2020 STI Payment is less than \$435,980.23).

For any partial year of Executive's employment, the Executive's short-term (annual) bonuses shall be prorated based on the period of Executive's

Service during such year, determined in the same manner as for other similarly situated executives of the Company. Furthermore, the performance objectives for purposes of determining Executive's actual performance for any short-term payment for all fiscal years hereunder shall be determined by the Company, and subject to approved adjustments, as aforesaid.

4. Transition Agreement Remains in Effect. Except where specifically modified by this Second Amendment, the Transition Agreement shall remain in full force and effect. For the avoidance of doubt, Executive acknowledges and agrees that, as set forth in Section 6 of the Transition Agreement, upon the expiration of the Transition Period, the Change of Control Agreement (except as expressly set forth in this Amendment) shall be without further force or effect and Executive and UNFI will determine the terms and conditions of any continuing employment relationship. This Second Amendment replaces, supersedes, and modifies the First Amendment to the Transition Agreement in all respects. In the event of a conflict between the terms of the First Amendment, the Transition Agreement or the Change in Control Agreement, the terms of this Second Amendment shall control.
5. Amendment. This Second Amendment to Transition Agreement may not be amended without the written consent of the Parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the dates set forth below.

United Natural Foods, Inc.

By: /s/ Steven L. Spinner

Title: Chair & CEO

Date: May 12, 2020

Michael Stigers

Signature: /s/ Michael Stigers

Date: May 12, 2020

Supervalu, Inc.

By: /s/ Jill E. Sutton

Title: CLO

Date: May 12, 2020

THIRD AMENDMENT TO TRANSITION AGREEMENT

The October 22, 2018 Transition Agreement between Michael Stigers (“Executive”), SUPERVALU INC. (“Company”) and United Natural Foods, Inc. (“UNFI” and together with Executive and Company, the “Parties”), as amended by that First Amendment dated as of March 27, 2019 (“First Amendment”) and that Second Amendment dated as of May 12, 2020 (“Second Amendment”) is hereby amended as set forth below. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Transition Agreement.

1. Section 3, Executive’s Employment Following Acquisition. As set forth in the Second Amendment, and continuing for the remainder of the Transition Period (hereinafter defined), Executive shall have the title of Chief Executive Officer, Cub Foods Retail and Shoppers, and shall report to UNFI’s Chief Executive Officer.

The Company has previously acknowledged and agreed that the change to Executive’s title and job duties outlined in the First Amendment and Second Amendment would constitute “Good Reason” for purposes of the Change of Control Agreement, and that notwithstanding anything set forth in Section 3 of the Change of Control Agreement to the contrary, Executive shall be entitled to exercise rights under Section 3 of the Change of Control Agreement as a result of these changes in duties until the end of the Transition Period. The Parties hereby agree that the Transition Period, defined in the First Amendment, shall be extended until July 31, 2023 (“Transition Period”). Notwithstanding anything in the Change of Control Agreement to the contrary, however, Executive must provide the Company with at least nine (9) months’ notice of the date of his intent to exercise rights under Section 3 of the Change of Control Agreement pursuant to this Section 1 and terminate his employment with the Company, with such notice required to be provided not later than the full nine (9) months prior to the expiration of the Transition Period. The Company shall not be required to attempt to cure the events giving rise to this trigger, as may be applicable, and the Company may elect to immediately comply with the terms of the Change of Control Agreement; provided, however, that the Executive agrees that if the Company requests, he shall perform his required duties and accountabilities fully (including, but not limited to, any transition services for a successor to his role) for this entire nine (9) -month period in order to obtain the rights set out in the Change of Control Agreement as a result of such termination.

2. Cub Sale. The Parties further agree that if the Company and UNFI sell (through a valid closing of) the Cub retail banner (the “Cub Sale”) prior to the expiration of the Transition Period (as extended in Section 1 above), and Executive has not provided notice to the Company that he is terminating his employment within nine (9) months, then the Transition Period shall be modified to end twenty-four (24) months following the closing date of the Cub Sale (the “CIC Transition Period”). Executive shall have all of the rights and obligations under the Change of Control Agreement (other than Section 2 thereof) as a result of the Cub Sale, including if the Executive’s employment is terminated by the counterparty(ies) to the Cub Sale (the “Cub Buyer”) prior to the end of the CIC Transition Period, or if the Executive terminates his employment with the Cub Buyer for Good Reason prior to the end of the CIC Transition Period. Furthermore, the Executive shall have the right, upon nine (9) months’ notice prior to the end of the CIC Transition Period, to elect to terminate his employment and receive the benefits under Section 4 of the Change of Control Agreement, provided he continues to remain employed by the Cub Buyer for the full nine (9) months of the notice period, unless the Cub Buyer shall agree to shorten the notice and employment period. The Company and UNFI shall require the Cub Buyer to expressly, absolutely and unconditionally assume and agree to perform the Transition Agreement, as amended, and the Change of Control Agreement in the same manner and to the same extent that the Company and UNFI would be required to perform them if the Cub Sale had not taken place, regardless of whether the Executive has provided notice under Section 1 hereof as of the closing date of the Cub Sale, provided that Executive continues to be employed by

Company, UNFI or an affiliate thereof on the closing date of the Cub Sale. This assumption by Cub Buyer shall occur either by express agreement or by operation of law.

In addition, for greater clarity and the avoidance of doubt, the Executive shall be entitled to the payments described in Section 1 of this Third Amendment to Transition Agreement or this Section 2 of this Third Amendment to Transition Agreement, but not both. No duplication of payments is intended, or shall be construed, by these terms to apply, as expressly agreed by the Parties. In addition, any payout under the Transition Agreement shall make the Change of Control Agreement null and void, and there shall be no payment, continuation or duplication of payment under the Transition Agreement and the Change of Control Agreement.

3. Notice Period Shortened. If the Company or Cub Buyer in its sole discretion has identified a successor for Executive at the time that Executive provides notice under Section 1 or 2 hereof, Company or Cub Buyer, as the case may be, shall so notify the Executive and require no more than five (5) months' notice as opposed to nine (9) otherwise required.

4. Treatment of Equity. The Parties acknowledge that the Executive shall be eligible for Retirement under the terms of the United Natural Foods, Inc. Equity Incentive Plan provided that his employment terminates after April 18, 2021.

5. Restrictive Covenants. The Parties hereby modify Section 11(e) (Non-Competition) of the Change in Control Agreement to read as follows:

(e) Non-Competition. Executive covenants and agrees that, except with the prior written consent of the Company's Chief Legal Officer or Chief Human Resources Officer (or their designee), during the term of his employment, and for a period of one year following termination of such employment for any reason or payment of any compensation, whichever occurs last (the "Restricted Period"), Executive shall not engage, directly or indirectly (which includes, without limitation, owning, managing, operating, controlling, being employed by, giving financial assistance to, participating in or being connected in any material way with any person or entity), anywhere in the United States in any activities with any company which is a direct competitor of the Company and any other company that conducts any business for which the participant is uniquely qualified to serve as a member of senior management as a result of his service to the Company. By way of illustration, direct competitors of the Company include but are not limited to the following companies: KeHe Distributors, LLC, DPI Specialty Foods, Lipari Foods, C&S Wholesale Grocers, Inc., Sysco Corporation, Performance Food Group Company, US Foods Holding Corp., SpartanNash Company, Associated Grocers, Inc., Associated Wholesale Grocers, Inc., URM Stores, Inc. and Bozzuto's Inc. (or any subsidiary or affiliated entity of the foregoing companies) with respect to (i) the Company and UNFI's activities on the date hereof and/or (ii) any activities which the Company or UNFI becomes involved in during the Executive's term of employment; provided, however, that Executive's ownership as a passive investor of less than five percent (5%) of the issued and outstanding stock of a publicly held corporation so engaged, shall not by itself be deemed to constitute such competition. Direct competitors of the Company and UNFI also include, without limitation, any grocery retailer operating or intending to commence operations in the state of Minnesota during the Restricted Period, whether Executive or such retailer is located within the state of Minnesota; provided, however, that Cub Buyer shall not be considered a direct competitor of the Company.

6. Assignment. The Parties hereby agree that the Company and UNFI may assign the Transition Agreement, as amended, and the Change of Control Agreement to the acquirer of all or substantially all of

the stock or assets of Cub Stores, LLC and/or to any other subsidiary, affiliate or parent organization of the Company, UNFI, or Cub Stores, LLC, at any time, without the prior consent of Executive.

7. Transition Agreement Remains in Effect. Except where specifically modified by this Third Amendment to Transition Agreement, the Transition Agreement shall remain in full force and effect. For the avoidance of doubt, Executive acknowledges and agrees that, as set forth in Section 5 of the Transition Agreement, upon the expiration of the Transition Period, the Change of Control Agreement shall be without further force or effect and Executive and UNFI will determine the terms and conditions of any continuing employment relationship. In the event of a conflict between the terms of this Third Amendment to Transition Agreement, and the terms of the First Amendment, the Second Amendment, the Transition Agreement, or the Change of Control Agreement, the terms of this Third Amendment to Transition Agreement shall control.

8. Amendment. This Third Amendment to Transition Agreement may not be amended without the written consent of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment to Transition Agreement as of the dates set forth below.

United Natural Foods, Inc.

By: /s/ Jill E. Sutton
Title: Chief Legal Officer, General Counsel
And Secretary
Date: March 9, 2021

Michael Stigers

Signature: /s/ Michael Stigers
Date: March 9, 2021

SUPERVALU Inc.

By: /s/ Jill E. Sutton
Title: President and Secretary
Date: March 9, 2021



March 8, 2021

Christopher Testa
[Address]

Dear Chris,

This Agreement confirms the terms of the one-time payment (“Retention Bonus”) which UNFI is offering to you, subject to the terms set out below.

Retention Bonus Eligibility

Within ten (10) days following the earlier of the Retention Date or the Release Date described below, UNFI will pay to you a Retention Bonus in a single lump sum of six hundred seventy-five thousand dollars (\$675,000.00) less applicable taxes and withholdings:

- (a) You remain continuously and actively employed by UNFI and perform your job duties in a satisfactory manner through February 1, 2022 (“Retention Date”); or
- (b) Your employment is involuntarily terminated by UNFI for any reason, other than for Cause, between the date of this Agreement and the Retention Date; provided that you sign and do not revoke a release of claims in form and substance reasonably satisfactory to UNFI within the time period set forth in such release, but no later than 45 days following your termination date (the date such release becomes irrevocable, the “Release Date”). For purposes of this agreement, “Cause” shall have the same meaning as set forth in the United Natural Foods, Inc. Annual Incentive Plan and shall be determined in UNFI’s sole discretion.

If you voluntarily terminate your employment (for any reason), if your employment is terminated for Cause, or if your employment is terminated for any other reason, including disability or death, you will forfeit the Retention Bonus.

Section 409A

The Retention Bonus and this Agreement are intended to be exempt from, or comply with, Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”). For purposes of this Agreement, references to “termination of employment” shall be understood to mean “separation from service” as that term is defined under Section 409A. The Retention Bonus is intended to be exempt from Section 409A as a short-term deferral as provided in Treasury Regulation § 1.409A-1(b)(4). However, to the extent the Retention Bonus would be considered “deferred compensation” payable upon your involuntary separation from service and you are then a “specified employee,” as such terms are defined under Section 409A, the Retention Bonus shall be payable on the earlier of six months and 1 day following your separation from service or, if earlier, the date of your death. Neither UNFI nor any of its officers, directors, agents, or affiliates shall be obligated, directly or indirectly, to you or any other person for any taxes, penalties, interest or like amounts that may be imposed on you or any other person on account of any amounts paid or payable under this Agreement on account of any failure to comply with Section 409A.



Additional Terms

The Retention Bonus offer and this Agreement do not affect your at-will employment status. Both you and UNFI remain free to terminate the employment relationship at any time and for any reason.

No changes to this Agreement will be valid unless agreed to in writing by both you and the appropriate officer of UNFI.

If you accept the terms of this offer, please sign in the space provided below.

United Natural Foods, Inc.

Christopher Testa

By: /s/ Jill E. Sutton _____

Sign: /s/ Christopher Testa _____

Title: Chief Legal Officer, General Counsel
and Secretary _____

Date: March 9, 2021 _____

Date: March 9, 2021 _____

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This SECOND AMENDMENT TO EMPLOYMENT AGREEMENT (the Second Amendment), effective as of March 9, 2021 (the “Effective Date”), is by and among United Natural Foods, Inc., a Delaware corporation (the “Company”) and Steven L. Spinner (the “Employee”).

WITNESSETH:

WHEREAS, the Employee currently serves as the Company’s Chairman and Chief Executive Officer pursuant to that certain Employment Agreement dated as of November 5, 2018, as amended by that certain First Amendment to Employment Agreement dated as of February 6, 2020 (as amended, the “Employment Agreement”);

WHEREAS, the Term End Date as defined in the Employment Agreement is the earlier of July 31, 2021 (the end of the Company’s 2021 fiscal year) or the date the Employee’s successor as the Company’s CEO is duly appointed;

WHEREAS, the Company has requested that the Employee agree to extend the term of the Employment Agreement and continue to serve as the Company’s CEO until October 31, 2021, or such earlier date as his successor as the Company’s CEO is duly appointed;

WHEREAS, commencing on the date the Employee’s successor as the Company’s CEO is appointed (on or before October 31, 2021), the Company has requested that the Employee continue to serve as a consultant to the Company through October 31, 2022 or, if earlier, the one-year anniversary of the date Employee’s successor as the Company’s CEO is duly appointed;

WHEREAS, the Employee agrees to such extension upon the terms and conditions contained in this Amendment, which shall amend and modify the terms of the Employment Agreement, which shall otherwise remain hereafter in full force and effect.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises and covenants set forth below and other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Employee do hereby agree that the Employment Agreement shall be amended as follows:

I. Section 1.1 (“Position”) is amended to read as follows:

1.1 Position. The Company hereby agrees to continue to employ the Employee as its Chief Executive Officer until October 31, 2021, or such earlier date as the Employee’s successor as the Company’s Chief Executive Officer is duly appointed, upon the terms and subject to the conditions set forth herein. In addition, the Company will continue to use its reasonable best efforts to cause the Employee to continue to be a member and Chairman of the Company’s Board of Directors.

II. Section 1.3 (“Full-Time Status”) is amended to add the following new subsections (d) and (e):

(d) On the date that the Employee's successor as the Company's Chief Executive Officer is duly appointed (on or before October 31, 2021) (the "Transition Date") the Employee shall cease to be an employee of the Company.

(e) Beginning on the Transition Date and ending on the one-year anniversary of the Transition Date (or any earlier date set under Section 4.1, 4.2, 4.3, or 4.4(a) of this Agreement) (such date, the "Termination Date"), as applicable, the Employee shall provide management and board advisory services to the Company as a consultant. The Employee shall provide no more than on average eight (8) hours of service per week (considered on an annualized basis) in this capacity to the Company.

III. Section 1.4 ("Permitted Activities") is amended by inserting the phrase "Until the Transition Date" at the beginning of the first sentence thereof.

IV. Section 2 ("Term") is amended in its entirety to read as follows:

2. Term. The Employment Agreement shall continue until the Termination Date.

V. Section 3 ("Compensation") is amended by restating Sections 3.1 – 3.4 to read as follows:

3. Compensation.

3.1 Base Compensation. Commencing on the Effective Date and continuing through the Transition Date, the Company shall pay the Employee a base salary of One Million Two Hundred Thousand Dollars (\$1,200,000.00) per annum, which shall be payable to the Employee in regular installments in accordance with the Company's general payroll policies and practices.

Effective on the Transition Date and continuing through the Termination Date, the Company shall pay the Employee consulting fees at the rate of Two Hundred and Fifty Thousand Dollars (\$250,000) per annum, which shall be payable to the Employee bi-monthly. As a condition of receiving the final payment for consulting fees hereunder, the Employee agrees to sign and deliver to the Company a release in the form attached hereto as Exhibit A within ten (10) business days of the Termination Date, which must become effective within sixty (60) days following the Termination Date. As consideration for such release, the final payment for consulting fees shall be increased by one thousand dollars (\$1,000.00).

3.2 Intentionally Omitted.

3.3 Incentive Compensation. The Employee shall continue to participate in the United Natural Foods, Inc. Annual Incentive Plan ("AIP") and United Natural Foods, Inc. 2020 Equity Incentive Plan ("LTIP") offered by the Company to its senior management with potential incentive opportunities no less favorable than those available to other senior executive officers, except as may be otherwise expressly set forth herein. The Employee shall be eligible to receive cash incentive compensation pursuant to the AIP based upon the

achievement of performance criteria established by the Company's Board of Directors, or the Compensation Committee thereof (the "Committee"), with the actual amount of any such compensation paid to be determined in the sole discretion of the Committee as determined in accordance with the applicable plan. Nothing in this Agreement shall preclude the Company from amending or terminating any of the plans or programs applicable to salaried employees as long as such amendment or termination is applicable to all salaried employees. The Employee shall be eligible to participate in the AIP only for so long as he is serving as CEO and prior to the Transition Date. Employee's entitlement to AIP payments for the 2021 and 2022 fiscal years are specifically provided in this Agreement, in accordance with the provisions of Section 4 depending on the nature of the Employee's termination.

The Employee hereby agrees that he shall not be eligible for any additional equity grants under the LTIP whatsoever, for fiscal year 2022 or otherwise, even if the Employee remains the Company's Chief Executive Officer after the fiscal year 2022 equity grant date, on or about October 15, 2021. The proration, vesting, and settlement of existing, outstanding equity awards is governed by Section 4.4(f), for termination of employment governed by that Section only, and Section 4.6 hereof.

3.4 Benefit Plans. Through the Transition Date, the Employee shall be entitled to participate in all employee benefit plans or programs (excluding any severance or change in control severance plans or programs) for which any similarly situated salaried employees of the Company are eligible under any existing or future plan or program established by the Company for salaried employees. The Employee will participate to the extent permissible under the terms and provisions of such plans or programs in accordance with program provisions. Nothing in this Agreement shall preclude the Company from amending or terminating any of the plans or programs applicable to salaried employees as long as such amendment or termination is applicable to all salaried employees. If the Employee desires to elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), after the Transition Date, it shall be the sole responsibility of the Employee (and/or other family members who are qualified beneficiaries, as described in the COBRA election notice, and who desire COBRA continuation coverage) to timely elect COBRA continuation coverage and timely make all applicable premium payments therefore; provided, however, that for the period beginning on the Transition Date and ending on the Termination Date the Employee shall only be required to pay the active associate portion of COBRA premiums for continued medical coverage.

VI. Section 4 ("Termination of Agreement") is amended by restating Sections 4.1 – 4.4 in their entirety to read as follows:

4. Termination of Agreement.

4.1 General. During the Term of this Agreement, the Company may, at any time and in its sole discretion, terminate the Employee's employment or consulting services and this Agreement with Cause. The Company may also, at any time and in its sole discretion, terminate the Employee's employment or consulting

services and this Agreement without Cause, by providing Employee notice of same. The Employee may, at any time and in his sole discretion, resign from his employment with the Company with or without Good Reason and terminate this Agreement, subject to any prior notice requirements of Section 4.3 of this Agreement. If the Employee resigns without Good Reason pursuant to Section 4.3 hereof, he shall only be entitled to receive the payments described in Section 4.3.

4.2 Effect of Termination with Cause. If the Employee's employment or consulting engagement with the Company shall be terminated by the Company with Cause during the Term of this Agreement the Company shall pay in a cash lump sum within ten (10) days of the Termination Date (that is, the date the Company notifies the Employee of the termination with Cause) to the Employee (i) the base salary earned for days worked up to and including the Termination Date, or as applicable, consulting fees for the days actually worked by Employee (based on a per diem of \$250,000/365) prior to such Termination Date, (ii) reimbursement for any amounts due to the Employee pursuant to Section 3.6 and (iii) at such time as it would have been paid if the Employee had not been terminated, any cash incentive compensation earned as of the Termination Date in respect of the prior fiscal year which has not been paid as of the Termination Date (collectively such unpaid base salary, consulting fees, reimbursements, and earned incentive compensation, the "Accrued Amounts"), and the Company shall not have any further obligations to the Employee under this Agreement except those required to be provided by law. For purposes of this Agreement, "Cause" shall mean termination of the Employee's employment or consulting engagement with the Company due to (1) conviction of the Employee under applicable law of any felony or any misdemeanor involving moral turpitude, (2) unauthorized acts intended to result in the Employee's personal enrichment at the material expense of the Company or its reputation, (3) any violation of the Employee's duties or responsibilities to the Company which constitutes willful misconduct or dereliction of duty or (4) material breach of Sections 1.4 and 5.1 of this Agreement by the Employee, provided however, that in the case of circumstances described in this Section 4.2, the nature of the circumstances shall be set forth with reasonable particularity in a written notice to the Employee approved by a majority of the membership of the Board of Directors of the Company. The Employee shall have twenty (20) business days following delivery of such written notice to cure such alleged breach, provided that such breach is, in the reasonable discretion of the Board of Directors of the Company, susceptible to a cure and provided further that delivery of such written notice shall have been approved by a majority of the members of the Board of Directors of the Company.

For clarity, if the Employee is terminated with Cause as described in this Section 4.2, and such with Cause termination occurs after July 31, 2021, Employee shall be entitled to the full-year 2021 AIP incentive payment, based on the Company's performance, as part of the "Accrued Amounts" owed under this Section 4.2, and Employee shall not be entitled to any prorated amounts for 2022 AIP regardless of whether he is serving as CEO on or after August 1, 2021, or to any payments under Section 4.4(a) or 4.4(c), if applicable. If the Employee is terminated with Cause on

or before July 31, 2021, the Employee shall not receive AIP cash incentive compensation with respect to the Company's 2021 or 2022 fiscal years and shall not receive any payments under Section 4.4(a) or 4.4(c), if applicable.

4.3 Resignation by the Employee.

(a) If the Employee resigns as CEO or as consultant, as applicable without Good Reason before October 31, 2021, the Company shall pay to the Employee the Accrued Amounts in a cash lump sum within ten (10) days of the Termination Date (that is, the date of the Employee's resignation) and the Company shall not have any further obligations to the Employee under this Agreement except those required to be provided by applicable law. For purposes of this Agreement, "Good Reason" shall mean without the Employee's express written consent, the occurrence of any one or more of the following before October 31, 2021: (1) the assignment of the Employee to duties materially adversely inconsistent with his duties as of the date hereof; (2) a material reduction in the Employee's title, executive authority or reporting status, including failure of the Company to appoint Employee as the Company's Chief Executive Officer; (3) a relocation more than 50 miles from the Employee's then-current place of employment; (4) a reduction by the Company in the Employee's Base Salary, or a failure of the Company to pay or cause to be paid any compensation or benefits when due or under the terms of any plan established by the Company and failure to restore such Base Salary or make such payments within five (5) days of receipt of notice from the Employee, (5) failure to include the Employee in any new employee benefit plans proposed by the Company or a material reduction in the Employee's level of participation in any benefit plans of the Company; provided that a Company-wide reduction or elimination of such plans shall not give rise to a "Good Reason" termination; (6) a material breach of this Agreement by the Company; or (7) the failure of the Company to obtain a satisfactory agreement from any successor to the Company with respect to the ownership of substantially all the stock or assets of the Company to assume and agree to perform the terms of this Agreement, provided that, in each case, (A) within sixty (60) days of the initial occurrence of the specified event the Employee has given the Company written notice giving the Company at least thirty (30) days to cure the Good Reason, (B) the Company has not cured the Good Reason within the (30) thirty day period and (C) the Employee resigns within ninety (90) days from the initial occurrence of the event giving rise to the Good Reason. For greater clarity, the parties agree that in no event shall the Employee's *change in duties* from CEO to consultant under the terms of this Agreement (whether before or after October 31, 2021), constitute "Good Reason" hereunder; furthermore, in no event shall Employee have a basis for termination of consulting services hereunder for "Good Reason."

For clarity, if the Employee resigns without Good Reason as set forth in this Section 4.3, and such resignation without Good Reason occurs after July 31, 2021, Employee shall be entitled to the full-year 2021 AIP incentive payment, based on

the Company's performance, as part of the "Accrued Amounts" owed under this Section 4.3, and Employee shall not be entitled to any prorated amounts for 2022 AIP regardless of whether he is serving as CEO on or after August 1, 2021, or to any payments under Section 4.4(a) or 4.4(c), if applicable. If the Employee resigns without Good Reason on or before July 31, 2021, the Employee shall not receive AIP cash incentive compensation with respect to the Company's 2021 or 2022 fiscal years and shall not receive any payments under Section 4.4(a) or 4.4(c), if applicable.

(b) As Consultant. If the Employee resigns as consultant for any reason whatsoever after October 31, 2021, then in respect of his consulting services, Employee shall receive only the amount due and owing to the Employee for the days actually worked by Employee (based on a per diem of \$250,000/365) prior to his voluntary termination of the consulting services.

4.4 Effect of Termination without Cause or Resignation for Good Reason.

(a) Payments. If the Employee's employment as CEO is terminated by the Company without Cause or if the Employee resigns as CEO for Good Reason, the Company shall pay to the Employee (i) the Accrued Amounts in a cash lump sum within ten (10) days of the Termination Date; and (ii) so long as the Employee complies with Sections 3.1, 4.4(b), 5.1 and 5.2 of this Agreement, the Company shall also pay to the Employee (x) Six Million Dollars (\$6,000,000.00); plus (y) \$35,000 (the "COBRA Amount", that the Employee may use to procure group health plan coverage for himself and his eligible dependents or otherwise plus (z) a pro rata annual cash incentive bonus pursuant to the AIP based on the number of full calendar months elapsed in the fiscal year of termination prior to termination, and the Company's actual performance for such fiscal year, paid at such time as it would have been paid if the Employee had not been terminated by the Company without Cause or resigned for Good Reason. The Employee acknowledges that the COBRA Amount is taxable to the Employee and that the payment of the COBRA Amount shall only be made to the extent that the payment of the COBRA Amount would not result in any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010 as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable) (collectively, such laws, the "PPACA"). Should the Company be unable to pay the COBRA Amount without triggering an excise tax under the PPACA, the Company and the Employee shall use reasonable efforts to provide a benefit to the Employee which represents the economic equivalent of the COBRA Amount and which does not result in an excise tax on the Company under the PPACA, which benefit shall be paid in a lump sum. Payments pursuant to this Section 4.4 shall be in lieu of any other severance benefits that the Employee may be eligible to receive under the Company's or any of the Company's Affiliates' benefit plans or programs.

Payments set forth in (ii)(x) and (y) above shall be made in a single lump sum on the 190th calendar day following the Termination Date (subject to payment on a different date or dates to the extent necessary to comply with Section 409A of the Code).

(b) Release. As a condition to receiving the payments provided for in clause (ii) of Section 4.4(a), clauses (i) and (ii) of Section 4.4(c), and the restricted stock units described in Sections 4.4(d) and 4.6 of this Agreement, the Employee agrees to sign and deliver to the Company a release of claims in the form attached to this Agreement as Exhibit B within ten (10) business days of the Termination Date (or the Transition Date if earlier), which must become effective within sixty (60) days following the applicable date. Notwithstanding the foregoing, the Employee shall not be required to release (i) any rights the Employee has under this Agreement, (ii) any rights that Employee has pursuant to any plan, program or agreement subject to the Employee Retirement Income Security Act of 1974, as amended, (iii) any rights pursuant to any incentive or compensation plans of the Company or its Affiliates, any Equity Plan or any rights pursuant to any award agreements issued pursuant to any incentive or compensation plan of the Company or its Affiliates or any Equity Plan, (iv) any rights the Employee and his beneficiaries may have to continued medical coverage under the continuation coverage provisions of the Code, the Employee Retirement Income Security Act of 1974 or applicable state law or (v) any rights the Employee may have to indemnification under state or other law or the Certificate of Incorporation or by-laws of the Company and its Affiliated companies, or under any indemnification agreement with the Company or under any insurance policy providing directors' and officers' coverage for any lawsuit or claim relating to the period when the Employee was a director or officer of the Company or any Affiliated company.

(c) If the Employee's employment as CEO with the Company is terminated by the Company without Cause or if the Employee resigns as CEO for Good Reason, and such termination or resignation takes place on or after a Change in Control Date that occurs before the Transition Date, subject to the CIC Agreement Provision, then, in addition to the compensation and benefits set forth in Section 4.4(a) hereof, and subject to any limitation imposed under applicable law and Sections 4.4(b) and 4.4(e) of this Agreement, so long as the Employee complies with Sections 4.4(b), 5.1 and 5.2 of this Agreement, (i) the Company shall pay to the Employee a lump sum payment equal to Two Million Nine Hundred Seventy Thousand Dollars (\$2,970,000.00); and (ii) the COBRA Amount described in Section 4.4(a) shall be increased by Seventy Thousand Dollars (\$70,000). The amounts in (i) and (ii) shall be paid in a single lump sum on the 190th calendar day following the date of such termination or resignation (subject to payment on a different date or dates to the extent necessary to comply with Section 409A of the Code), subject to the limitations imposed under applicable law and Section 4.4(a). The parties expressly agree that the amounts in Section 4.4(c) are in addition to the amounts in Section 4.4(a), are not intended to duplicate any other payments set forth under this Agreement, and are only payable in connection with a Change in

Control and under the conditions set forth in this Section 4.4(c). For greater clarity, if a Change in Control Date occurs after the Transition Date, including while the Employee may remain a consultant at that time, the additional amounts in this Section 4.4(c) will not be payable to the Employee, regardless of whether the Employee has received the compensation and benefits described in Section 4.4(a) as of the Change in Control Date, subject to the CIC Agreement Provision.

CIC Agreement Provision. Notwithstanding anything set forth in this Agreement to the contrary, in the event an agreement to effect a Change in Control has been entered into by the Company and a third party and remains in effect or has been consummated, and the Transition Date occurs because a new CEO has been appointed prior to October 31, 2021, then Employee shall be deemed to have been terminated without Cause on the Transition Date in connection with the Change in Control and he shall be entitled to the payments described in this Section 4.4(c) whether or not the Change in Control has actually been completed prior to the Transition Date, and the Employee shall not be entitled to the payments set forth in Section 4.4(f) as a result of the occurrence of the Transition Date. If, however, in the event an agreement to effect a Change in Control with a third party has been entered into and the Transition Date occurs due to the passage of time through October 31, 2021, and the Employee remains as the CEO until October 31, 2021, even if the Change in Control agreement remains in effect, then Employee shall be entitled to the payments set forth in Section 4.4(f) and not this Section 4.4(c). This provision shall be referred to herein as the “CIC Agreement Provision”.

(d) The following terms shall have the following definitions:

(i) The term “Change in Control” means the happening of any of the following:

(1) any “person”, including a “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Act”), but excluding the Company, any of its Affiliates, or any employee benefit plan of the Company or any of its Affiliates) is or becomes the “beneficial owner” (as defined in Rule 13(d)(3) under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding securities;

(2) the stockholders of the Company shall approve a definitive agreement and a transaction is consummated (1) for the merger or other business combination of the Company with or into another corporation if (A) a majority of the directors of the surviving corporation were not directors of the Company immediately prior to the effective date of such merger or (B) the stockholders of the Company immediately prior to the effective date of such merger own less than 60% of the combined voting power in the then outstanding securities in such surviving corporation or (2) for the sale or other disposition of all or substantially all of the assets of the Company; or

(3) the purchase of 30% or more of the combined voting power of the Company's then outstanding securities pursuant to any tender or exchange offer made by any "person", including a "group" (as such terms are used in Sections 13(d) and 14(d) of the Act), other than the Company, any of its Affiliates, or any employee benefit plan of the Company or any of its Affiliates.

(ii) The term "Change in Control Date" means the date on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs, and if the Employee's employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by the Employee that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement, the "Change of Control Date" shall mean the date immediately prior to the date of such termination of employment.

(e) In the event any payments or benefits otherwise payable to the Employee, whether or not pursuant to this Agreement, (1) constitute "parachute payments" within the meaning of Section 280G of the Code, and (2) but for this Section 4.4(e), would be subject to the excise tax imposed by Section 4999 of the Code, then such payments and benefits will be either (x) delivered in full, or (y) delivered as to such lesser extent that would result in no portion of such payments and benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code (and any equivalent state or local excise taxes), results in the receipt by the Employee on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such payments and benefits may be taxable under Section 4999 of the Code. Unless the Company and the Employee otherwise agree in writing, any determination required under this Section 4.4(e) will be made in writing by a nationally-recognized accounting firm selected by the Employee (the "Accountants"), whose determination will be conclusive and binding upon the Employee and the Company for all purposes. For purposes of making the calculations required by this Section 4.4(e), the Accountants (i) may make reasonable assumptions and approximations concerning applicable taxes, (ii) may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code, and (iii) shall take into account a "reasonable compensation" (within the meaning of Q&A-9 and Q&A-40 to Q&A 44 of the final regulations under Section 280G of the Code) analysis of the value of services provided or to be provided by the Employee, including any agreement by the Employee (if applicable) to refrain from performing services pursuant to a covenant not to compete or similar covenant applicable to the Employee that may then be in effect (including, without limitation, those contemplated by Section 5.1 of this Agreement). The Company and the Employee agree to furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this provision. The Company will bear all

costs the Accountants may reasonably incur in connection with any calculations contemplated by this provision. To the extent such aggregate parachute payment amounts are required to be so reduced, the parachute payment amounts due to the Employee (but no non-parachute payment amounts) shall be reduced in the following order: (i) the parachute payments that are payable in cash shall be reduced (if necessary, to zero) with amounts that are payable last reduced first; (ii) payments and benefits due in respect of any equity, valued at full value (rather than accelerated value) (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) shall be reduced in each case in reverse order beginning with payments or benefits which are to be paid the furthest in time; and (iii) all other non-cash benefits not otherwise described in clause (ii) of this Section 4.4(e) reduced last. In applying these principles, any reduction or elimination of the Payments shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero.

(f) In consideration of Employee agreeing to extend the Term End Date contemplated by the First Amendment of this Employment Agreement by serving as CEO or as a consultant, as applicable, until October 31, 2021, and in further consideration for his agreement to, at the Company's discretion, provide consulting services for the twelve-month period after the Transition Date, Employee shall be entitled to the payments set forth in Section 4.4(a)(i); and 4.4(a)(ii)(x) and (y) hereof, as a result of his termination as CEO through the appointment of a successor CEO as of the Transition Date (whether the Transition Date occurs before or after July 31, 2021, and not related to a Change in Control determined in Section 4.4(c) hereof), and his provision of consulting services thereafter until at least October 31, 2021. In addition, under the circumstances set forth above in this Section 4.4(f) only, Employee shall be entitled to the following:

- (i) With respect to the Company's 2021 fiscal year (ending on July 31, 2021), the Employee's AIP cash incentive compensation shall not be prorated, provided that he continues to provide services to the Company as Chief Executive Officer until a new CEO is appointed, and as a consultant thereafter and through October 31, 2021 (if applicable), regardless of when the Transition Date occurs.
- (ii) With respect to the Company's 2022 fiscal year, provided that the Employee is serving as CEO on or after August 1, 2021, the Employee's 2022 AIP cash incentive compensation shall be prorated, on an annual basis based on the number of full calendar months elapsed in the fiscal year between August 1, 2021 and the Transition Date (three months maximum to October 31, 2021) during which Employee serves as CEO, based on the Employee's AIP at target (\$1,800,000).
- (iii) The Employee hereby agrees that he shall not be eligible for any additional equity grants under the LTIP whatsoever, for fiscal year 2022 or otherwise,

even if the Employee remains the Company's Chief Executive Officer after the fiscal year 2022 equity grant date, on or about October 15, 2021.

- (iv) With respect to the Employee's fiscal 2021 equity award under the LTIP, granted in October of 2020, such award shall not be prorated, as otherwise would be contemplated by Section 4.6, provided that Employee continues to provide services to the Company as Chief Executive Officer until a new CEO is appointed, and as a consultant thereafter and through October 31, 2021 (if applicable), regardless of when the Transition Date occurs.

For clarity, payments under this Section 4.4(f) are payable as a result of the Employee serving as CEO or consultant, as applicable, through October 31, 2021. Other basis for termination under Sections 4.2, 4.3, 4.4(a) and 4.4(c), for example, may apply prior to the Transition Date, triggering payments under those sections, respectively, and the terms of this Section 4.4(f) shall not apply in such cases.

(g) If, after the Transition Date, the Employee's services as consultant are terminated by the Company without Cause, evidenced by the Company's written notice to the Employee of the same specifying the termination date, then in respect of his consulting services, the amount due and owing to the Employee shall be the portion of the full-year, annualized consulting compensation of \$250,000 that Employee has not yet been paid as of the date of the Company's termination of this Agreement; and, the Employee's fiscal 2021 equity award under the LTIP, granted in October 2020, and fiscal 2021 AIP cash incentive compensation shall not be prorated regardless of whether such without Cause termination of consulting services by the Company occurs before October 31, 2021.

(h) The Employee is entitled to the payments set forth herein in accordance with the terms hereof. Such payments are not subject to setoff, reduction, or nonpayment, except as expressly provided by the terms of this Agreement.

VII. Section 4.5 ("Section 409A") is amended by revising the second and third sentences thereof to read as follows:

Notwithstanding anything to the contrary herein, if (i) on the date of the Employee's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)), the Employee is deemed to be a "specified employee" (as such term is defined under Treasury Regulation 1.409A-1(i)(1)) of the Company, as determined in accordance with the Company's "specified employee" determination procedures, and (ii) any payments to be provided to the Employee pursuant to this Agreement which constitute "deferred compensation" for purposes of Section 409A and are or may become subject to the additional tax under Section 409A(a)(1)(B) of the Code or any other taxes or penalties imposed under Section 409A if provided at the time otherwise required under this Agreement, then such payments shall be delayed until the date that is 190 days after the date of the Employee's "separation from service" (as such term is

defined under Treasury Regulation 1.409A-1(h)) or, if sooner, the date of the Employee's death. Any payments delayed pursuant to this Section 4.5(a) shall be made in a lump sum on the 190th day following the Employee's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) or, if sooner, the date of the Employee's death.

VIII. Section 4.6 ("Retirement") is amended in its entirety to read as follows:

4.6 Retirement. The Parties acknowledge that the Employee has met the age and service requirements for Retirement as of the Effective Date, and as such, in all cases of termination described in Section 4 hereof, except for Section 4.2 Termination with Cause, the Company agrees that Employee shall have a qualified "Retirement" for purposes of this Section 4.6, and as a result, upon the Transition Date (or earlier Termination Date established pursuant to the applicable provision of Section 4 (other than Section 4.2)), the Company shall cause (1) stock options awarded to the Employee under any Equity Plan not previously exercisable and vested to become fully vested and exercisable (and shall remain exercisable for the remainder of their scheduled term), (2) restricted stock (including, for purposes of clarification, restricted stock units settled in shares of common stock) granted to Employee under any Equity Plan which is still subject to restrictions to become vested, payable, and/or have any restrictions thereon removed, and (3) performance-based vesting equity awards (including, for purposes of clarification, performance-based restricted stock units settled in shares of common stock) granted to Employee under any Equity Plan which is still subject to restrictions to become vested and/or have any restrictions thereon removed, subject to and based on the actual levels of performance for the fiscal year in which the Employee's employment is terminated and/or future years for performance awards extending multiple years with metrics extending beyond the year of Employee's employment; however, with respect to awards granted before the date of this Agreement, only if the Committee shall determine that any performance metric applicable to the award for purposes of the rules and regulations adopted under Section 162(m) of the Code, or otherwise, shall have been met with respect to the applicable fiscal year of the outstanding performance award; *provided that* with respect to each annual equity award granted to the Employee with respect to the Company's 2021 fiscal year (granted on October 12, 2020), if the Employee has not provided services as CEO, or as a consultant after the appointment of a new CEO until October 31, 2021 (as described in Section 4.4(f)), then except as provided in Section 4.4(g), such equity awards shall be prorated by multiplying the number of shares granted thereunder by a fraction, the numerator of which shall equal the number of days beginning on the grant date and ending on the date the Employee discontinued providing services (but not past October 12, 2021, the full service period), and the denominator of which is 365.

Restricted stock described in (2) above and the 87,295 shares deferred by the Company with respect to the one-time retention performance unit awards granted on October 27, 2016, less shares withheld for applicable taxes, shall be paid or settled to the Employee on the 190th day following the Transition Date (or earlier Termination Date as applicable). Performance-based vesting equity awards described in (3) above shall be paid or settled to the Employee on the later to occur of (x) the sixtieth day following the Transition Date (or earlier Termination Date established pursuant to Section 4.4(a)) or (y) the third business day following the date the

Committee determines that the applicable performance criteria have been achieved, provided however, that such payment or settlement shall, in any event, be made in the calendar year containing such day. For purposes of clarity, any restricted stock granted to Employee with a vesting date before December 31, 2021 shall be paid or settled to the Employee in accordance with the terms applicable to the awards granting such restricted stock, but no later than December 31, 2021.

For purposes of this Agreement and this Section 4.6, the term “Retirement” shall mean a termination of employment (on or after the date the Employee has attained fifty-nine (59) years of age and has provided ten (10) years of service to the Company) for any reason other than Employee’s termination by the Company with Cause, as described in Section 4.2.

No Other Amendments. Except as expressly provided herein, each of the other provisions of the Employment Agreement shall remain in full force and effect, and are hereby ratified and confirmed. For greater clarity, in no event shall Employee be entitled to multiple severance arrangements or duplicate payments under this Employment Agreement. Each respective provision governing the payments to Employee as a result of his termination, depending on the type of termination, shall be paid in accordance with the terms hereof.

IN WITNESS WHEREOF, the parties have hereto executed this Amendment as of the day and year first written above.

EMPLOYEE:

/s/ Steven L. Spinner

Steven L. Spinner

COMPANY:

United Natural Foods, Inc.

/s/ Jill E. Sutton

Jill E. Sutton

Chief Legal Officer, General Counsel, Corporate Secretary

EXHIBIT A TO EMPLOYMENT AGREEMENT

1. GENERAL RELEASE

This General Release (this "Release") is entered into by and between UNITED NATURAL FOODS, INC., and all its past and present subsidiary, related, and affiliated companies (collectively, "UNFI" or "the Company") and _____ (the "Consultant") in connection with the termination of any and all services Consultant provided the Company.

The Consultant and the Company hereby agrees as follows:

1. Separation Date. Prior to _____ (the "Separation Date"), the Consultant provided services to the Company under Section 1.1(e) of that certain Employment Agreement between the Consultant and the Company dated as of November 5, 2018, as amended by that certain First Amendment to Employment Agreement dated as of February 6, 2020 and by that certain Second Amendment to Employment Agreement dated as of March ___, 2021 (such Agreement, the "Employment Agreement," and such Section 1.1(e) thereof, the "Consulting Arrangement"); such Consulting Arrangement terminated on the Separation Date.

2. Release of the Company.

a. The Consultant on behalf of the Consultant, the Consultant's spouse, heirs, administrators, representatives, executors, successors, assigns and all other persons claiming by or through the Consultant (collectively, "Releasors"), does hereby voluntarily, knowingly and willingly release, waive and forever discharge the Company, together with each of its past, present and future owners, parents, subsidiaries and affiliates, together with each of their current, former or future directors, officers, partners, agents, members, employees, trustees, representatives and attorneys, and each of their respective subsidiaries, affiliates, estates, predecessors, successors and assigns, both individually and in their official capacities (each, individually, a "Releasee" and collectively, the "Releasees") from, and does fully waive any and all obligations of any of the Releasees to any Releasors for, any and all rights, actions, charges, causes of action, demands, damages, claims for relief, complaints, remuneration, sums of money, suits, debts, covenants, contracts, agreements, promises, obligations, demands, accounts, expenses (including attorneys' fees and costs) or liabilities of any kind whatsoever, whether known or unknown, contingent or absolute (collectively, "Claims"), which the Consultant or any other Releasors ever had, now has or may hereafter claim to have by reason of any matter, cause or thing whatsoever: (i) arising from the beginning of time up to the date the Consultant executes this Release, including but not limited to, (A) any such Claims relating in any way to the Consultant's prior employment with the Company or any other Releasee, (C) Consultant's provision of consulting services with the Company, including any claims under the Consulting Arrangement and (C) any such Claims arising under any federal, local, or state statute or regulation, including Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866 and 1871 (42 U.S.C. § 1981), the Civil Rights Act of 1991, the National Labor Relations Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Equal Pay Act of 1963, the Genetic Information Nondiscrimination Act of 2008, each as amended and including each of their respective implementing regulations and/or any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived or released; (ii) arising out of or

EXHIBIT A TO EMPLOYMENT AGREEMENT

relating to the end of the Consultant's provision of services to the Company pursuant to the Consulting Arrangement; or under or relating to any policy, agreement, understanding, or promise, written or oral, formal or informal, between the Consultant and the Company or any other Releasee. Notwithstanding the foregoing, this Section 2(a) shall not release any Releasee from any claims or rights described in Section 2(c).

- b. The Consultant agrees that neither this Release, nor the furnishing of the consideration for this Release, shall be deemed or construed at any time to be an admission by the Company, any of the Releasees or the Consultant of any improper or unlawful conduct. The Consultant further acknowledges and agrees that the Company and each of the other Releasees have fully satisfied any and all obligations owed to the Consultant arising out of or relating to Consultant's services to Company pursuant to the Consulting Arrangement, and that no further sums, payments, or benefits are owed to the Consultant by the Company or any of the other Releasees arising out of or relating to the Consultant's employment with or services to the Company.
- c. Notwithstanding anything in this Release to the contrary, Releasors do not release or waive, and this Release is not intended to, and does not, apply to, and shall not be construed to apply to: (i) any rights the Consultant has under the Employment Agreement, (ii) any rights that Consultant has pursuant to any plan, program or agreement subject to the Employee Retirement Income Security Act of 1974, as amended, (iii) any rights pursuant to any incentive or compensation plans of the Company or its Affiliates, any Equity Plan or any rights pursuant to any award agreements issued pursuant to any incentive or compensation plan of the Company or its Affiliates or any Equity Plan, (iv) any rights the Consultant and his beneficiaries may have to continued medical coverage under the continuation coverage provisions of the Code, the Employee Retirement Income Security Act of 1974 or applicable state law or (v) any rights the Consultant may have to indemnification under state or other law or the Certificate of Incorporation or by-laws of the Company and its Affiliated companies, or under any indemnification agreement with the Company or under any insurance policy providing directors' and officers' coverage for any lawsuit or claim relating to the period when the Consultant was a director or officer of the Company or any Affiliated company.
3. Restrictive Covenants. The Consultant acknowledges and agrees that the confidentiality, noncompetition or non-solicitation provisions or similar provisions set forth in each of (a) any employment agreement the Consultant may have had with UNFI; or (b) any award agreement corresponding to an equity award received by the Consultant, as amended (if applicable), shall remain in full force and effect following the Separation Date in accordance with their respective terms. Consultant reaffirms all such obligations as if fully set forth herein.
4. Permitted Disclosures.

EXHIBIT A TO EMPLOYMENT AGREEMENT

- a. Nothing in this Release shall prohibit the Consultant from responding to a subpoena, court order, investigation or similar legal process; provided, however, that, to the extent permitted by such subpoena, court order, investigation or legal process, the Consultant agrees to notify the Company's Office of the General Counsel in writing at the address below prior to making any such disclosure sufficiently in advance of such disclosure to afford the Company a reasonable opportunity to challenge the subpoena, court order, investigation or similar legal process as soon as reasonably practicable after receiving or receiving notice of a subpoena or court order requesting disclosure of such information: United Natural Foods, Inc., Office of the General Counsel, 313 Iron Horse Way, Providence, RI 02908.
- b. Pursuant to 18 U.S.C. § 1833(b), the Consultant understands that the Consultant will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Company that (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Consultant's attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Consultant understands that if the Consultant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Consultant may disclose the trade secret to the Consultant's attorney and use the trade secret information in the court proceeding if the Consultant (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order. Nothing in this Release, or any other agreement that the Consultant has with the Company, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section. Further, nothing in this Release or any other agreement that the Consultant has with the Company shall prohibit or restrict the Consultant from making any voluntary disclosure of information or documents concerning possible violations of law to any governmental agency or legislative body, or any self-regulatory organization, in each case, without advance notice to the Company.
5. Agreement to Cooperate. The Consultant also agrees to cooperate, at such reasonable times as may be reasonably requested in advance by the Company, with the Company in regard to any material legal matter, litigation, pre-litigation, administrative, governmental or other judicial proceeding, inquiry or investigation involving the Company and concerning any matters as to which the Consultant was actively involved during the Consultant's employment or as to which Consultant has direct knowledge. This includes, but is not limited to, providing the Company with complete and accurate information or providing truthful testimony in any proceeding. The Company shall reimburse the Consultant for reasonable out-of-pocket expenses incurred by the Consultant in connection with such undertakings (including reasonable attorneys' fees). Notwithstanding the foregoing, the Consultant shall not be obligated to provide such cooperation if such cooperation materially interferes with the Consultant's ability to perform his or her duties with any new employer or is in contravention of any Constitutional rights.
6. Return of Property. The Consultant acknowledges that Consultant has returned all Company property in the Consultant's possession, including any materials stored on a cloud storage site,

EXHIBIT A TO EMPLOYMENT AGREEMENT

prior to the date hereof including, but not limited to, equipment, ID cards, Corporate Cards, all copies of customer lists, forms, plans, documents, systems designs, product features, technology or other written and computer materials belonging to the Company or its clients. The Consultant will not at any time copy or reproduce any of the Company's or its customers' property. The Consultant further understands that all designs, improvements, writings and discoveries made by the Consultant during employment that relate to the Company's business is the exclusive property of the Company and the Consultant cannot use, disclose, sell or give them to anyone else.

7. Entire Agreement. This Release, inclusive of the agreements and plans referenced herein, including the Employment Agreement, is the entire agreement between the Consultant and the Company concerning the end of Consultant's services to the Company under the Consulting Arrangement and the termination of the Consultant's employment. It is the Consultant's intent to be legally bound by the terms of this Release. No amendments, modifications or waivers of this Release shall be binding unless made in writing and signed by both Consultant and the Company.
8. No Waivers. No waiver by either party, at any time, of any breach by the other party of, or of compliance by the other party with, any condition or provision of this Release to be performed or complied with by such other party shall be deemed a waiver of any similar or dissimilar provision or condition of this Release or any other breach of or failure to comply with the same condition or provision at the same time or at any prior or subsequent time.
9. Severability. The Consultant and the Company agree that if any part, term or provision of this Release should be held to be unenforceable, invalid or illegal under any applicable law or rule, the offending term or provision shall be applied to the fullest extent enforceable, valid or lawful under such law or rule, or, if that is not possible, the offending term or provision shall be struck and the remaining provisions of this Release shall not be affected or impaired in any way. To the extent permitted by applicable law, the Consultant and the Company waive any provision of law that renders any provision of this Release invalid or unenforceable in any respect.
10. Governing Law. This Release will be governed by the laws of the State of Delaware, without giving effect to its conflict of laws rules.
11. Construction. The Consultant acknowledges and agrees that no promises or representations have been made to induce the Consultant to sign this Release other than as expressly set forth herein and that the Consultant has signed this Release as a free and voluntary act. Further, this Release has been entered into after review of its terms by the Consultant and the Consultant's counsel. Therefore, there shall be no strict construction for or against either party. No ambiguity or admission shall be construed against the Company on the grounds that this Release or any of its provisions was drafted or prepared by the Company.
12. Counterparts. This Release may be executed in counterparts, each of which will be deemed an original but all of which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Consultant and United Natural Foods, Inc., hereby execute this Release.

Dated: _____

Consultant

Dated: _____

United Natural Foods, Inc.

By: _____

EXHIBIT B TO EMPLOYMENT AGREEMENT

1. GENERAL RELEASE

This General Release (this "Release") is entered into by and between UNITED NATURAL FOODS, INC., and all its past and present subsidiary, related, and affiliated companies (collectively, "UNFI" or "the Company") and _____ (the "Employee") in connection with the Employee's termination of employment with the Company.

The Employee and the Company hereby agrees as follows:

1. Separation Date. On _____ (the "Separation Date"), the Employee's employment as an employee of the Company terminated. As of the Separation Date, the Employee will cease to hold any and all positions as an officer of the Company and each of its affiliates, but will continue to provide consulting services pursuant to Section 1(e) of the Employment Agreement between the Company and Employee, effective as of October 22, 2018, as amended by that certain First Amendment to Employment Agreement dated as of February 6, 2020 and by that certain Second Amendment to Employment Agreement dated as of March __, 2021 (the "Employment Agreement"). The Employee agrees to execute any and all reasonable additional documents necessary and solely to effectuate such resignations.

2. Release of the Company.

a. The Employee on behalf of the Employee, the Employee's spouse, heirs, administrators, representatives, executors, successors, assigns and all other persons claiming by or through the Employee (collectively, "Releasors"), does hereby voluntarily, knowingly and willingly release, waive and forever discharge the Company, together with each of its past, present and future owners, parents, subsidiaries and affiliates, together with each of their current, former or future directors, officers, partners, agents, members, employees, trustees, representatives and attorneys, and each of their respective subsidiaries, affiliates, estates, predecessors, successors and assigns, both individually and in their official capacities (each, individually, a "Releasee" and collectively, the "Releasees") from, and does fully waive any and all obligations of any of the Releasees to any Releasors for, any and all rights, actions, charges, causes of action, demands, damages, claims for relief, complaints, remuneration, sums of money, suits, debts, covenants, contracts, agreements, promises, obligations, demands, accounts, expenses (including attorneys' fees and costs) or liabilities of any kind whatsoever, whether known or unknown, contingent or absolute (collectively, "Claims"), which the Employee or any other Releasors ever had, now has or may hereafter claim to have by reason of any matter, cause or thing whatsoever: (i) arising from the beginning of time up to the date the Employee executes this Release, including but not limited to, (A) any such Claims relating in any way to the Employee's employment with the Company or any other Releasee, and (B) any such Claims arising under any federal, local, or state statute or regulation, including, without limitation, the Age Discrimination in Employment Act (as amended by the Older Workers Benefit Protection Act), Title VII of the Civil Rights Act of 1964, the Civil Rights Acts of 1866 and 1871 (42 U.S.C. § 1981), the Civil Rights Act of 1991, the National Labor Relations Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Equal Pay Act of 1963, the Genetic Information Nondiscrimination Act of 2008, Minnesota Human Rights Act, Minn. Stat. §§ 363A.01-363A.41; Minnesota Equal Pay for

EXHIBIT B TO EMPLOYMENT AGREEMENT

Equal Work Law, Minn. Stat. §§ 181.66-181.71; Minn. §§ 181.81; Minn. Stat. § 176.82; Minn. Stat. §§ 181.931, 181.932, 181.935; Minn. Stat. §§ 181.940-181.944, each as amended and including each of their respective implementing regulations and/or any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived or released; (ii) arising out of or relating to the termination of the Employee's employment with the Company or any other Releasee; or under or relating to any policy, agreement, understanding, or promise, written or oral, formal or informal, between the Employee and the Company or any other Releasee. Notwithstanding the foregoing, this Section 2(a) shall not release any Releasee from any claims or rights described in Section 2(c).

- b. The Employee agrees that neither this Release, nor the furnishing of the consideration for this Release, shall be deemed or construed at any time to be an admission by the Company, any of the Releasees or the Employee of any improper or unlawful conduct. The Employee further acknowledges and agrees that the Company and each of the other Releasees have fully satisfied any and all obligations owed to the Employee arising out of or relating to Employee's employment with and termination of employment from the Company and any other Releasees, and that no further sums, payments, or benefits are owed to the Employee by the Company or any of the other Releasees arising out of or relating to the Employee's employment with, or termination of employment from, the Company or any of the other Releasees, except as expressly provided in this Release.
- c. Notwithstanding anything in this Release to the contrary, Releasors do not release or waive, and this Release is not intended to, and does not, apply to, and shall not be construed to apply to: (i) any rights the Employee has under the Employment Agreement, (ii) any rights that Employee has pursuant to any plan, program or agreement subject to the Employee Retirement Income Security Act of 1974, as amended, (iii) any rights pursuant to any incentive or compensation plans of the Company or its Affiliates, any Equity Plan or any rights pursuant to any award agreements issued pursuant to any incentive or compensation plan of the Company or its Affiliates or any Equity Plan, (iv) any rights the Employee and his beneficiaries may have to continued medical coverage under the continuation coverage provisions of the Code, the Employee Retirement Income Security Act of 1974 or applicable state law or (v) any rights the Employee may have to indemnification under state or other law or the Certificate of Incorporation or by-laws of the Company and its Affiliated companies, or under any indemnification agreement with the Company or under any insurance policy providing directors' and officers' coverage for any lawsuit or claim relating to the period when the Employee was a director or officer of the Company or any Affiliated company.
3. ADEA; Revocation. This Release includes, but is not limited to, a release of claims under the Age Discrimination in Employment Act (as amended by the Older Workers Benefit Protection Act) ("ADEA") and the Minnesota Human Rights Act ("MHRA"), Minn. Stat. § 363A, et seq. The Employee has been informed of the Employee's right to review and consider this Release for 21 calendar days, if the Employee so chooses, and understands that Employee may sign this Release before the 21-day period has ended, but if the Employee does so, the Employee is waiving and releasing any rights to the full 21-day period. In no case may the Employee sign this Release

before close of business on the Separation Date. The Employee understands and agrees that changes to this Release, whether material or immaterial, will not restart the 21-day consideration period. This Release will not become effective until the 15th calendar day after the date on which the Employee signs this Release. The Employee understands that the Employee may rescind the Employee's execution of this Release by providing written notice to the Company in accordance with the following sentence. To be effective, the rescission must be in writing and delivered to the Company either by hand or by mail within the 15-day period. If delivered by mail, the rescission must be: (i) postmarked within the 15-day period; (ii) properly addressed to United Natural Foods, Inc., Stephanie Soto, SVP, Human Resources, 313 Iron Horse Way, Providence, RI 02908; and (iii) sent by certified mail, return receipt requested. In the event of such a rescission by the Employee, the Company's obligations under this Release shall be null and void, but the cessation of the Employee's employment will be unaffected.

4. Acknowledgment. The Employee acknowledges and agrees that (a) the Employee has read and understands this Release in its entirety; (b) the Company has advised the Employee to consult with an attorney of the Employee's choosing, specifically concerning this Release, its meaning and its effect, prior to executing this Release and that the Employee has had the opportunity to do so; (c) the Employee's waiver of rights under this Release is knowing and voluntary and the Employee is entering into this Release willingly; (d) the Employee has a full understanding of the nature of this Release and the consequences of its terms; and (e) that, by assenting to this Release, the Employee will be receiving payments and benefits to which the Employee would not otherwise be entitled.
5. Restrictive Covenants. The Employee acknowledges and agrees that the confidentiality, noncompetition or non-solicitation provisions or similar provisions set forth in each of (a) any employment agreement the Employee may have with UNFI; or (b) any award agreement corresponding to an equity award received by the Employee, as amended (if applicable), shall remain in full force and effect following the Separation Date in accordance with their respective terms. Employee reaffirms all such obligations as if fully set forth herein.
6. Permitted Disclosures.
 - a. Nothing in this Release shall prohibit the Employee from responding to a subpoena, court order, investigation or similar legal process; provided, however, that, to the extent permitted by such subpoena, court order, investigation or legal process, the Employee agrees to notify the Company's Office of the General Counsel in writing at the address below prior to making any such disclosure sufficiently in advance of such disclosure to afford the Company a reasonable opportunity to challenge the subpoena, court order, investigation or similar legal process as soon as reasonably practicable after receiving or receiving notice of a subpoena or court order requesting disclosure of such information: United Natural Foods, Inc., Office of the General Counsel, 313 Iron Horse Way, Providence, RI 02908.
 - b. Pursuant to 18 U.S.C. § 1833(b), the Employee understands that the Employee will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Company that (a) is made (i) in confidence to a Federal,

EXHIBIT B TO EMPLOYMENT AGREEMENT

State, or local government official, either directly or indirectly, or to the Employee's attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Employee understands that if the Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Employee may disclose the trade secret to the Employee's attorney and use the trade secret information in the court proceeding if the Employee (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order. Nothing in this Release, or any other agreement that the Employee has with the Company, is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section. Further, nothing in this Release or any other agreement that the Employee has with the Company shall prohibit or restrict the Employee from making any voluntary disclosure of information or documents concerning possible violations of law to any governmental agency or legislative body, or any self-regulatory organization, in each case, without advance notice to the Company.

7. Agreement to Cooperate. The Employee also agrees to cooperate, at such reasonable times as may be reasonably requested in advance by the Company, with the Company in regard to any material legal matter, litigation, pre-litigation, administrative, governmental or other judicial proceeding, inquiry or investigation involving the Company and concerning any matters as to which the Employee was actively involved during the Employee's employment or as to which Employee has direct knowledge. This includes, but is not limited to, providing the Company with complete and accurate information or providing truthful testimony in any proceeding. The Company shall reimburse the Employee for reasonable out-of-pocket expenses incurred by the Employee in connection with such undertakings (including reasonable attorneys' fees). Notwithstanding the foregoing, the Employee shall not be obligated to provide such cooperation if such cooperation materially interferes with the Employee's ability to perform his or her duties with any new employer or is in contravention of any Constitutional rights.
8. Return of Property. The Employee acknowledges that Employee has returned all Company property in the Employee's possession, including any materials stored on a cloud storage site, prior to the date hereof including, but not limited to, equipment, ID cards, Corporate Cards, all copies of customer lists, forms, plans, documents, systems designs, product features, technology or other written and computer materials belonging to the Company or its clients. The Employee will not at any time copy or reproduce any of the Company's or its customers' property. The Employee further understands that all designs, improvements, writings and discoveries made by the Employee during employment that relate to the Company's business is the exclusive property of the Company and the Employee cannot use, disclose, sell or give them to anyone else.
9. Entire Agreement. This Release, inclusive of the agreements and plans referenced herein, is the entire agreement between the Employee and the Company concerning the Employee's employment and the termination of the Employee's employment. It is the Employee's intent to be legally bound by the terms of this Release. No amendments, modifications or waivers of this Release shall be binding unless made in writing and signed by both Employee and the Company.

EXHIBIT B TO EMPLOYMENT AGREEMENT

10. No Waivers. No waiver by either party, at any time, of any breach by the other party of, or of compliance by the other party with, any condition or provision of this Release to be performed or complied with by such other party shall be deemed a waiver of any similar or dissimilar provision or condition of this Release or any other breach of or failure to comply with the same condition or provision at the same time or at any prior or subsequent time.
11. Severability. The Employee and the Company agree that if any part, term or provision of this Release should be held to be unenforceable, invalid or illegal under any applicable law or rule, the offending term or provision shall be applied to the fullest extent enforceable, valid or lawful under such law or rule, or, if that is not possible, the offending term or provision shall be struck and the remaining provisions of this Release shall not be affected or impaired in any way. To the extent permitted by applicable law, the Employee and the Company waive any provision of law that renders any provision of this Release invalid or unenforceable in any respect.
12. Governing Law. This Release will be governed by the laws of the State of Delaware, without giving effect to its conflict of laws rules.
13. Construction. The Employee acknowledges and agrees that no promises or representations have been made to induce the Employee to sign this Release other than as expressly set forth herein and that the Employee has signed this Release as a free and voluntary act. Further, this Release has been entered into after review of its terms by the Employee and the Employee's counsel. Therefore, there shall be no strict construction for or against either party. No ambiguity or admission shall be construed against the Company on the grounds that this Release or any of its provisions was drafted or prepared by the Company.
14. Counterparts. This Release may be executed in counterparts, each of which will be deemed an original but all of which, taken together, shall constitute one and the same instrument.

[Remainder of page intentionally left blank.]

EXHIBIT B TO EMPLOYMENT AGREEMENT

IN WITNESS WHEREOF, the Consultant and United Natural Foods, Inc., hereby execute this Release.

Dated: _____

Employee

Dated: _____

United Natural Foods, Inc.

By: _____

**CERTIFICATION PURSUANT TO SECTION
302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven L. Spinner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Natural Foods, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
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- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 10, 2021

/s/ Steven L. Spinner

Steven L. Spinner
Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION
302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John W. Howard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United Natural Foods, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
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- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 10, 2021

/s/ John W. Howard
John W. Howard
Chief Financial Officer

**CERTIFICATION PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, in his capacity as the Chief Executive Officer of United Natural Foods, Inc., a Delaware corporation (the "Company"), hereby certifies that the Quarterly Report of the Company on Form 10-Q for the quarterly period ended January 30, 2021, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects, the financial condition and results of operations of the Company.

/s/ Steven L. Spinner

Steven L. Spinner

Chief Executive Officer

March 10, 2021

**CERTIFICATION PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, in his capacity as the Chief Financial Officer of United Natural Foods, Inc., a Delaware corporation (the "Company"), hereby certifies that the Quarterly Report of the Company on Form 10-Q for the quarterly period ended January 30, 2021, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects, the financial condition and results of operations of the Company.

/s/ John W. Howard

John W. Howard
Chief Financial Officer

March 10, 2021