

and 110%, plus an amount equal to any accrued and unpaid dividends. The Investor Exchange Right may be exercised unless the Company redeems all of the outstanding Convertible Preferred Stock at a redemption price, if such redemption occurs after the Company receives a notice of intent to exercise the Investor Exchange Right, equal to the product of the aggregate liquidation preference of the Convertible Preferred Stock then outstanding and 110%, plus accrued and unpaid dividends. Upon completion of the Investor Exchange Right, subsidiaries of the Company, as the applicable tenant, will enter into a master lease agreement with the RE Investor or designated affiliate as the landlord, solely with respect to the real estate properties that have been transferred directly or indirectly to the RE Investor, substantially the same as the current master lease agreements between the Company's consolidated real estate subsidiaries and the Company's consolidated operating subsidiaries.

The Company assessed the Convertible Preferred Stock for any beneficial conversion features or embedded derivatives, including the conversion option and investor exchange right, and did not identify any features that would require bifurcation from the Convertible Preferred Stock and receive separate accounting treatment.

### ***Treasury Stock***

During fiscal 2018, the Company repurchased 1,772,018 shares of common stock allocable to certain current and former members of management (the "management holders") for \$25.8 million in cash. The shares are classified as treasury stock on the Consolidated Balance Sheet. The shares repurchased represented a portion of the shares allocable to management. Proceeds from the repurchase were used by the management holders to repay outstanding loans of the management holders with a third-party financial institution. As there was no active market for shares of the Company's common stock, the shares were repurchased at a negotiated price between the Company and the management holders.

On June 9, 2020, the Company used \$1,680.0 million, an amount equal to the proceeds from the sale and issuance of the Company's Series A-1 convertible preferred stock ("Series A-1 preferred stock") and Series A convertible preferred stock ("Series A preferred stock" and together with the Series A-1 preferred stock, the "Convertible Preferred Stock"), to repurchase 101,611,736 shares of Class A common stock from the Company's parents (the "June 2020 Repurchase"). The proceeds received by the Company's parents from the June 2020 Repurchase were distributed to their members, which include the Company's sponsors and current and former members of management.

On September 14, 2020, the Company entered into a stock repurchase agreement with a stockholder pursuant to which the Company repurchased 6,837,970 shares of its Class A common stock held by the stockholder for an aggregate purchase price of \$82.0 million. The stockholder was subject to a court-mandated wind-down, and a court-appointed receiver was directed to liquidate the stockholder's assets. The price was agreed to between the Company and the receiver (on behalf of the stockholder). In establishing the price, the parties took into account, among many other factors that they each deemed relevant, an applicable discount related to the selling restrictions that a third-party buyer would have had if such third-party buyer purchased the shares, including relevant lock-up agreements.

On October 14, 2020, the Company's board of directors authorized a share repurchase program that allows the Company to repurchase up to \$300.0 million of its Class A common stock. As part of the share repurchase program, during fiscal 2020, the Company, through a series of open-market transactions, repurchased 7,888,320 shares of its Class A common stock for an aggregate purchase price of \$119.1 million.

### **NOTE 10 - EQUITY-BASED COMPENSATION**

The Company maintains the Albertsons Companies, Inc. Restricted Stock Unit Plan (the "Restricted Stock Unit Plan"), which was previously named the "Albertsons Companies, Inc. Phantom Unit Plan" (the "Phantom Unit Plan"). Under the Restricted Stock Unit Plan, subsequent to the IPO, 43.6 million shares of Class A common stock