



**GRANTED**

EFiled: Jul 16 2014 10:44AM EDT  
Transaction ID 55737626  
Case No. 9445-VCL



Exhibit

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

IN RE SAFEWAY INC.  
STOCKHOLDERS LITIGATION

CONSOLIDATED  
C.A. NO. 9445-VCL

**SCHEDULING ORDER**

WHEREAS, the Parties to the above-captioned consolidated stockholder class action (the “Action”) have made application, pursuant to Delaware Court of Chancery Rule 23(e), for an Order approving the proposed settlement of the Action in accordance with a Stipulation and Agreement of Settlement entered into by the Parties dated July 14, 2014 (the “Stipulation”), and for the dismissal of the Action with prejudice upon the terms and conditions set forth in the Stipulation (the “Settlement”); and

WHEREAS, the Court having read and considered the Stipulation and the exhibits attached thereto; the Stipulation being sufficient to warrant notice to the Class (defined below); and all parties having consented to the entry of this Order.

NOW THEREFORE, IT IS HEREBY ORDERED, this \_\_\_\_\_ day of \_\_\_\_\_ 2014, as follows:

1. **Definitions** – Unless otherwise defined herein, all capitalized words contained herein shall have the same meanings as they have in the Stipulation.

2. **Preliminary Class Certification for Settlement Purposes** –

Pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2), the Court preliminarily certifies, solely for purposes of effectuating the proposed Settlement, a non-opt out Class consisting of all holders of the common stock of Safeway from March 6, 2014 through and including the effective time of the closing of the Proposed Transaction or the withdrawal or termination of the Proposed Transaction (the “Class Period”). Excluded from the Class are Defendants and any person, firm, trust, corporation, or other entity related to or affiliated with any of the Defendants.

3. Solely for purposes of the Settlement, Plaintiffs the Pipefitters Local 636 Defined Benefit Fund, Oklahoma Firefighters Pension and Retirement System, Cleveland Bakers and Teamsters Pension and Health & Welfare Funds, and The City of Atlanta Firefighters’ Pension Fund, are preliminarily appointed as Class Representatives for the Class and Co-Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, Grant & Eisenhofer, P.A., Kessler Topaz Meltzer & Check LLP, and Saxena White P.A., are preliminarily appointed as Class Counsel for the Class.

4. **Settlement Fairness Hearing** – The Court will hold a settlement fairness hearing (the “Settlement Fairness Hearing”) on September 17, 2014, at 2:00 p.m., at the Court of Chancery of the State of Delaware, New Castle County Courthouse, 500 North King Street, Wilmington, DE 19801, for the following

purposes: (a) to determine whether the Action may be maintained as a class action and whether the Class should be certified permanently, for settlement purposes, pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2); (b) to determine whether Plaintiffs may be permanently designated as Class Representatives and Co-Lead Counsel as Class Counsel, and to determine whether Plaintiffs and Co-Lead Counsel have adequately represented the interests of the Class in the Action; (c) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate to the Class, and should be approved by the Court; (d) to determine whether a Judgment substantially in the form attached as Exhibit B to the Stipulation should be entered dismissing the Action with prejudice against Defendants; (e) to determine whether the application by Co-Lead Counsel for an award of attorneys' fees and reimbursement of litigation expenses should be approved; and (f) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Settlement Fairness Hearing shall be given to Class Members as set forth in paragraph 6 of this Order.

5. The Court may adjourn the Settlement Fairness Hearing and approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Class.

6. **Manner of Giving Notice** – Notice of the Settlement and the Settlement Fairness Hearing shall be given by Safeway or its successor-in-interest as follows:

(a) not later than ten (10) business days after the date of entry of this Order (the “Notice Date”), Safeway or its successor-in-interest shall (i) cause a copy of the Notice, substantially in the form attached hereto as Exhibit 1, to be mailed by first-class mail to potential Class Members at the addresses set forth in the shareholder records of the Company, its successor-in-interest or their respective transfer agents, or who otherwise may be identified through further reasonable effort; and (ii) file with the Securities and Exchange Commission a Form 8-K attaching the Notice and a copy of the Stipulation;

(b) contemporaneously with the mailing of the Notice, Safeway or its successor-in-interest shall cause copies of the Notice and the Stipulation to be posted on Safeway’s (or its successor-in-interest’s) website, which documents shall remain posted on the website through the Effective Date of the Settlement; and

(c) not later than seven (7) calendar days prior to the Settlement Fairness Hearing, Defendants’ Counsel shall serve on Co-Lead Counsel and file with the Court proof, by affidavit or declaration, of such mailing and publication.

7. **Approval of Form and Content of Notice** – The Court (a) approves, as to form and content, the Notice, attached hereto as Exhibit 1, and (b) finds that

the mailing and distribution of the Notice in the manner and form set forth in paragraph 6 of this Order (i) is the best notice practicable under the circumstances; (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Co-Lead Counsel's application for an award an attorneys' fees and reimbursement of litigation expenses, of their right to object to the Settlement and/or Co-Lead Counsel's application for attorneys' fees and reimbursement of litigation expenses, and of their right to appear at the Settlement Fairness Hearing; (iii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements of Court of Chancery Rule 23, the United States Constitution (including the Due Process Clause), and all other applicable law and rules. The date and time of the Settlement Fairness Hearing shall be included in the Notice before it is mailed.

8. **Nominee Procedures** – Brokerage firms, banks and other nominees holding shares of Safeway common stock during the Class Period as record holders for the benefit of another person or entity shall forward the Notice to such beneficial owners of those shares. Safeway or its successor-in-interest shall use all reasonable efforts to give notice to such beneficial owners by (a) making additional copies of the Notice available to any record holder who, prior to the Settlement

Hearing, requests the same for distribution to beneficial owners, or (b) mailing additional copies of the Notice to beneficial owners whose names and addresses Safeway receives from any record holders. Upon full compliance with this Order, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Order by providing Safeway or its successor-in-interest with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with the terms of this Order shall be paid by Safeway or its successor-in-interest.

9. **Appearance and Objections at Settlement Fairness Hearing** – Any Class Member may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Register in Chancery and delivering a notice of appearance to representative counsel for Plaintiffs and Defendants, at the addresses set forth in paragraph 10 below, such that it is received no later ten (10) calendar days prior to the Settlement Fairness Hearing, or as the Court may otherwise direct. Any Class Member who does not enter an appearance will be represented by Co-Lead Counsel.

10. Any Class Member may file a written objection to the proposed Settlement and/or Co-Lead Counsel's application for an award of attorneys' fees

and reimbursement of litigation expenses and appear and show cause, if he, she or it has any cause, why the proposed Settlement and/or Co-Lead Counsel's application for attorneys' fees and reimbursement of litigation expenses should not be approved; *provided, however*, that, unless otherwise directed by the Court for good cause shown, no Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement and/or the application for attorneys' fees and reimbursement of litigation expenses unless that person or entity has filed a written objection with the Court and served copies of such objection on representative counsel for Plaintiffs and Defendants at the addresses set forth below such that they are received no later than ten (10) calendar days prior to the Settlement Fairness Hearing.

**Representative Counsel  
for Plaintiffs**

Stuart M. Grant, Esq.  
Grant & Eisenhofer P.A.  
123 S. Justison Street  
Wilmington, DE 19801

**Representative Counsel  
for Defendants**

Blair Connelly, Esq.  
Latham and Watkins LLP  
885 Third Avenue  
New York, NY 10022

11. Any objections, filings and other submissions by the objecting Class Member (a) must state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to

bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Class.

12. Any Class Member who or which does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to any aspect of the proposed Settlement and Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of litigation expenses and shall be forever barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement or the requested attorneys' fees and litigation expenses, or from otherwise being heard concerning the Settlement or the requested attorneys' fees and litigation expenses in this or any other proceeding.

13. **Stay and Temporary Injunction** – Until otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court bars and enjoins Plaintiffs, and all other members of the Class, from instituting, commencing or prosecuting any of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

14. **Settlement Notice Costs** – All costs, fees and expenses related to providing notice of the Settlement to the Class ("Notice Costs") shall be paid by Safeway or its successor-in-interest, regardless of whether the Court finally

approves the Settlement, and in no event shall Plaintiffs, any other Class Member, or their attorneys be responsible for any Notice Costs.

15. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails to occur, this Order shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the rights of Plaintiffs, the other Class Members and Defendants, and the Parties shall revert to their respective positions in the Action immediately prior to June 13, 2014, as provided in the Stipulation.

16. **Use of this Order** – Neither this Order, the MOU, the Stipulation (whether or not consummated), including the exhibits thereto, the negotiations leading to the execution of the MOU and the Stipulation, nor any proceedings taken pursuant to or in connection with the MOU, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted

in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; (b) shall be offered against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Releasees that any of their claims are without merit or that any of the Defendants' Releasees had meritorious defenses, or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or (c) shall be construed against any of Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the consideration which could be or would have been achieved after trial; *provided, however*, that if the Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement.

17. **Supporting Papers** – Co-Lead Counsel shall file and serve the opening papers in support of the proposed Settlement and Co-Lead Counsel’s application for an award of attorneys’ fees and reimbursement of litigation expenses no later than fifteen (15) calendar days prior to the Settlement Fairness Hearing; and reply papers, if any, shall be filed and served no later than five (5) calendar days prior to the Settlement Fairness Hearing.

18. **Retention of Jurisdiction** – The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

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Vice Chancellor J. Travis Laster

This document constitutes a ruling of the court and should be treated as such.

**Court:** DE Court of Chancery Civil Action

**Judge:** J Travis Laster

**File & Serve**

**Transaction ID:** 55727588

**Current Date:** Jul 16, 2014

**Case Number:** 9445-VCL

**Case Name:** CONF ORD ON DISC - CONS W/ 9454, 9455, 9461, 9466, 9492, 9495-VCL IN RE  
SAFEWAY INC STOCKHOLDERS LITIGATION

**Court Authorizer:** Laster, J Travis

/s/ **Judge Laster, J Travis**