

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

**Date of Report (Date Earliest Event reported):
October 30, 2024 (October 29, 2024)**



Grocery Outlet Holding Corp.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38950
(Commission
File Number)

47-1874201
(I.R.S. Employer
Identification No.)

**5650 Hollis Street,
Emeryville, California**
(Address of principal executive offices)

94608
(Zip Code)

(510) 845-1999
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 \$0.001 per share	GO	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

Item 2.02. Results of Operations and Financial Condition

On October 30, 2024, Grocery Outlet Holding Corp. (the “Company”) announced certain preliminary unaudited financial results for the fiscal quarter ended September 28, 2024. The full text of the press release issued by the Company is furnished as Exhibit 99.1 to this report.

The information in Item 2.02 of this current report on Form 8-K (including Exhibit 99.1 furnished herewith) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Departure of President, Chief Executive Officer and Director

After discussion with the Board of Directors of the Company (the “Board”), on October 29, 2024, Robert J. Sheedy, Jr. agreed to step down as the Company’s President and Chief Executive Officer and resign as a member of the Board, effective immediately. Mr. Sheedy’s decision to resign as a director was not due to any disagreement with the Company’s operations, policies or practices. Mr. Sheedy will receive separation benefits of a termination without cause as set forth in the employment agreement with the Company he entered into on November 2, 2022, subject to execution and non-revocation of a general release of claims in favor of the Company, and the award agreements governing his outstanding equity awards. A description of these benefits is included under the heading “[Potential Payments Upon Termination or Change in Control](#)” in the Company’s 2024 proxy statement filed with the Securities and Exchange Commission on April 19, 2024 (the “proxy statement”) and incorporated herein by reference. On October 29, 2024, the Board reduced its size from ten members to nine.

Appointment of Interim President and Chief Executive Officer

On October 29, 2024, the Board appointed Eric J. Lindberg, Jr., 53, as Interim President and Chief Executive Officer, effective immediately. Mr. Lindberg has served as a director of the Company since 2006 and as Chairman of the Board since January 2023. He served as the Company’s Chief Executive Officer from January 2019 through December 2022 and as its Co-Chief Executive Officer from January 2006 to December 2018. Prior to being appointed Co-Chief Executive Officer, Mr. Lindberg served in various positions with the Company since 1996. Mr. Lindberg will continue to serve as Chairman of the Board while serving as Interim President and Chief Executive Officer.

On October 29, 2024, in connection his with appointment as Interim President and Chief Executive Officer, the Company entered into an employment agreement with Mr. Lindberg. Mr. Lindberg’s employment agreement provides that his employment as Interim President and Chief Executive Officer shall continue until the earliest to occur of: (a) the date on which a permanent President and Chief Executive Officer commences employment with the Company (the “New CEO Commencement Date”), (b) the first anniversary of his service as Interim President and Chief Executive Officer, (c) his resignation, or (d) his termination (the first to occur of the foregoing, the “Separation Date”). If a permanent President and Chief Executive Officer has not commenced employment by the anniversary of Mr. Lindberg’s appointment, Mr. Lindberg and the Board have agreed to negotiate an extension of his employment agreement in good faith. Mr. Lindberg’s employment agreement provides that he will receive: (i) a salary of \$79,166.66 per month, (ii) a cash bonus of up to \$1,187,500, with the amount paid to be based on the number of days out of 365 that Mr. Lindberg serves as Interim President and Chief Executive Officer, (iii) the number of restricted stock units equal to \$4,104,400 divided by the closing price per share of the Company’s common stock reported on NASDAQ on October 30, 2024, rounded down to the nearest full share (the “RSU Award”), subject to the terms of the Company’s 2019 Incentive Plan and an award agreement (the “Award Agreement”) to be entered into by and between Mr. Lindberg and the Company, (iv) reimbursement of legal fees associated with the negotiation of the employment agreement, and (v) the right to participate in the Company’s employee benefit plans on a basis commensurate with other executive officers of the Company. The RSU Award will vest, subject to Mr. Lindberg’s continued employment through the applicable vesting date, on the earlier of (1) the New CEO Commencement Date and (2) any other Separation Date occurring prior to the New CEO Commencement Date in an amount based on the number of days out of 365 that Mr. Lindberg serves as Interim President and Chief Executive Officer. If Mr. Lindberg resigns from his employment (other than at the request of, or in mutual agreement with, the Board) or is terminated by the Company for Cause (as defined in his employment agreement) prior to the New CEO Commencement Date, he will not be entitled to any portion of the cash bonus and the RSU Award will not vest.

Pursuant to the Company's non-employee director compensation policy, Mr. Lindberg will not be eligible to receive compensation as a non-employee director for his service as Chairman of the Board while serving as the Interim President and Chief Executive Officer. Notwithstanding the foregoing, the restricted stock units received by Mr. Lindberg under the Company's non-employee director compensation policy on June 3, 2024 will vest in accordance with the terms of the award agreement governing such award on the earlier of (i) the date of the next annual meeting of stockholders or (ii) June 3, 2025, subject to his continued service as a member of Board through such vesting date.

Mr. Lindberg is a party to a stockholders agreement and an indemnification agreement with the Company, each of which is described in the section of the proxy statement entitled "[Related Party Transactions](#)," which is incorporated herein by reference. In addition, the Company leases 14 store locations and one warehouse location from entities in which Mr. Lindberg or his family, have a direct or indirect financial interest. These entities received aggregate lease payments from the Company of \$5.5 million for the 39 weeks ended September 28, 2024.

The foregoing description of Mr. Lindberg's employment agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of such agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the Award Agreement governing the RSU Award is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On October 30, 2024, the Company issued a press release announcing Mr. Lindberg's appointment as Interim President and Chief Executive Officer, Mr. Sheedy's departure, and an update to full year 2024 guidance. A copy of the press release is attached to this report as Exhibit 99.1 and is incorporated herein by reference.

The information in Item 7.01 of this current report on Form 8-K (including Exhibit 99.1 furnished herewith) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.1*	Interim Chief Executive Officer Agreement, dated October 29, 2024, by and between Eric J. Lindberg, Jr., Grocery Outlet Holding Corp. and Grocery Outlet Inc.
10.2*	Form of Restricted Stock Unit Grant Notice and Agreement (Grocery Outlet Holding Corp. 2019 Incentive Plan) (Interim CEO)
99.1	Press release, dated October 30, 2024, entitled "Grocery Outlet Holding Corp. Announces CEO Transition."
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* 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 by the undersigned hereunto duly authorized.

Grocery Outlet Holding Corp.

Date: October 30, 2024

By: /s/ Luke D. Thompson
Name: Luke D. Thompson
Title: Executive Vice President, General
Counsel and Secretary

October 29, 2024

BY HAND
Mr. Eric J. Lindberg, Jr.

Re: Interim President and Chief Executive Officer Agreement

Dear Eric:

On behalf of Grocery Outlet Holding Corp. (the "Parent") and Grocery Outlet Inc. (the "Company"), I am pleased to offer you the position of Interim President and Chief Executive Officer of the Company on the terms and conditions set forth in this letter agreement (this "Agreement"). You have agreed to accept this role while we engage in a search for a permanent President and Chief Executive Officer and to continue to serve as a member of the Board of Directors of the Parent (the "Board"). You may accept this Agreement by signing and returning a copy of this Agreement to the me.

1. **Term of Employment.** Your employment under this Agreement shall commence as of October 29, 2024 (the "Commencement Date") and shall continue until the earliest to occur of: (a) the date on which a permanent President and Chief Executive Officer commences employment with the Company (the "New CEO Commencement Date"), (b) the first anniversary of the Commencement Date (the "Expiration Date"), (c) your resignation from this position or (d) the termination of your employment by the Company (the first to occur of the foregoing, the "Separation Date"). Notwithstanding the foregoing, if the New CEO Commencement Date has not occurred prior to the first anniversary of the Commencement Date you and the Board agree to negotiate, in good faith, the extension of the term of employment hereunder and the compensation provided to you with respect to any extended term. If the Separation Date occurs as a result of your resignation (other than at the request of, or in mutual agreement with, the Board) prior to the Expiration Date or due to your termination by the Company for Cause (as defined below), in each case prior to the New CEO Commencement Date (a "Bad Leaver Event"), you will also resign as a member of the Board upon the Separation Date. Your employment is terminable by you or the Company at any time (for any reason or for no reason) in accordance with Section 6 of this Agreement.

2. **Position and Duties.** During the term of your employment under this Agreement, you shall serve as Interim President and Chief Executive Officer of the Company. Your duties and authority as Interim President and Chief Executive Officer shall be prescribed by the Board and shall be commensurate with those of the position chief executive officer, and you will report directly to the Board. In your role as Interim President and Chief Executive Officer, you agree to devote your full business time, energy, experience and talents to the business of the Company Group (as defined below); provided, that it shall not be a violation of this Agreement for you to (a) with the prior written consent of the Board, serve on the board of directors of other for-profit companies that do not compete with the Company Group; (b) serve on civic or charitable boards or committees; and (c) manage personal investments, so long as all such activities described in

clauses (a) through (c) above do not materially interfere with the performance of your duties and responsibilities under this Agreement. Without limiting the foregoing, you will also retain your title as Chairman of the Board while you serve as Interim President and Chief Executive Officer.

3. **Tax Withholding.** The Company shall be entitled to withhold from any amounts payable under this Agreement any Federal, state, or local withholding or other taxes, deductions or charges which the Company is required to withhold.

4. **Compensation and Benefits.** In consideration for your services to the Company, you shall receive the following compensation and benefits from the Company. You will not receive any additional compensation in respect of your Board service while you are employed under this Agreement.

(a) *Salary.* Until the Separation Date, the Company shall pay you a salary at the rate of \$79,166.66 per month (the "Salary") in accordance with the Company's regular payroll practices. You will receive your Salary in bi-weekly payments pursuant to the Company's regular payroll practices.

(b) *Bonus.* You shall receive a cash bonus (the "Success Bonus") of up to \$1,187,500 for your services as Interim President and Chief Executive Officer (the "Maximum Bonus"), with the actual amount of the Success Bonus being the Maximum Bonus multiplied by a fraction, the numerator of which equals the number of days elapsed from the Commencement Date through the Separation Date, and the denominator of which equals 365 (it being understood that there will be no proration applied if you are employed through the Expiration Date). The Success Bonus payable in lump sum on the first regularly scheduled payroll date occurring after the earlier of (i) the New CEO Commencement Date and (ii) the Separation Date; provided, that if you undergo a Bad Leaver Event prior to the applicable payment date, you will not be entitled to any portion of the Success Bonus. The Success Bonus will be the only bonus you will be eligible to receive during your employment hereunder and you will not be eligible to participate in the Company's Annual Incentive Plan.

(c) *Equity Grant.* Subject to approval by the Board, the Parent will grant you an award of a number of Restricted Stock Units under the Grocery Outlet Holding Corp. 2019 Incentive Plan equal to \$4,104,400 divided by the closing price per share of the Parent's common stock reported on NASDAQ on October 30, 2024, rounded down to the nearest full share (the "RSU Award"). Subject to your continued employment through the applicable vesting date, on the earlier of (i) the New CEO Commencement Date, and (ii) any other Separation Date occurring prior to the New CEO Commencement Date (other than a Separation Date that results from a Bad Leaver Event), a number of Restricted Stock Units will vest equal to the total number of Restricted Stock Units granted under the RSU Award, multiplied by a fraction, the numerator of which equals the number of days elapsed from the Commencement Date through the Separation Date, and the denominator of which equals 365 (it being understood that there will be no proration applied if you are employed through the Expiration Date). The RSU Award will otherwise be subject to the terms of an award agreement to be entered into by and between you and the Company, which will incorporate the vesting terms set forth herein and otherwise govern the terms of the RSU Award.

(d) *Benefits.* During the term of your employment hereunder, you shall be eligible to participate in the Company's employee benefit plans, policies and arrangements as may now or hereafter be adopted by the Company, in accordance with the terms of such plans, policies and arrangements, and on the same basis as other senior executives of the Company.

(e) *Business Expenses.* The Company shall reimburse you for business expenses that are reasonable and necessary for you to perform, and were incurred by you in the course of the performance of, your duties pursuant to this Agreement and in accordance with the Company's expense reimbursement policies.

(f) *Legal Fees.* The Company shall pay or reimburse you for the reasonable cost of attorney's fees incurred in the negotiation of this Agreement and related agreements within 60 days of receipt of documentation reasonably satisfactory to the Company of the incurrence of such attorney's fees (with recognition that such documentation will include attorney and time, but not the details of services).

(g) *Indemnification; D&O Coverage.* Your indemnification rights and coverage under applicable directors and officers liability insurance policies will continue on the same basis as in effect immediately prior to the commencement of your employment hereunder, and such indemnification and insurance obligations shall remain in effect following your termination of employment with the Company hereunder for any reason.

5. **Covenants.** By accepting the terms of this Agreement, you hereby agree to the following covenants in addition to any obligations you may have by law and make the following representations.

(a) *Confidentiality.*

(i) You shall not, at any time (whether during or after your employment with the Company Group), (A) retain or use for the benefit, purposes or account of you or any other Person (other than the Company Group); or (B) except in the course of your good faith performance of your job duties and responsibilities with the Company, disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company Group (other than its professional advisers), any non-public, proprietary or confidential information – including, without limitation, trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals concerning the past, current or future business, activities and operations of the Company Group and/or any third party that has disclosed or provided any of same to the Company Group on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

(ii) Confidential Information shall not include any information that is (A) generally known to the industry or the public other than as a result of your breach of this covenant; (B) made legitimately available to you by a third party without the breach of any confidentiality obligation; or (C) required by law or legal process to be disclosed; provided, that you shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment (at no cost to you).

(iii) Upon termination of your employment with the Company Group for any reason, you shall (A) cease and not thereafter commence use of any Confidential Information (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company Group; (B) make reasonable efforts to promptly destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) that to the best of your knowledge are in your possession or control (including any of the foregoing stored or located in your office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company Group, except that you may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information and you may retain his address book to the extent it does not contain Confidential Information; and (C) notify and reasonably cooperate with the Company (as reasonably requested by the Company) regarding the delivery or destruction of any other Confidential Information of which you are or become aware. Nothing in this provision or this Agreement, however, will preclude you from using or disclosing Confidential Information in the course of performing your role on the Board, and this clause (iii) shall not apply to until your separation from the Board to the extent you continue to serve on the Board following your termination of employment hereunder.

(iv) Nothing in this Agreement shall prohibit or impede you from communicating, cooperating or filing a complaint with any U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a "Governmental Entity") with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation; provided, that in each case such communications and disclosures are consistent with applicable law. You do not need the prior authorization of (or to give notice to) the Company regarding any such communication or disclosure. You understand and acknowledge that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (A) in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. You understand and acknowledge further that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order. Notwithstanding the foregoing, under no circumstance are you authorized to disclose any

information covered by the Company's attorney-client privilege or attorney work product unless such disclosure of that information would otherwise be permitted by an attorney pursuant to 17 CFR 205.3(d)(2), applicable state attorney conduct rules, or otherwise.

(b) *Intellectual Property.*

(i) If you create, invent, design, develop, contribute to or improve any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("Works"), either alone or with third parties, at any time during your employment by the Company and within the scope of such employment and/or with the use of any the Company Group resources ("Company Works"), you shall promptly and fully disclose same to the Company and hereby irrevocably assign, transfer and convey, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(ii) You shall take all reasonably requested actions and execute all reasonably requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure your signature on any document for this purpose, then you hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as your agent and attorney in fact, to act for and in your behalf and stead to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

(iii) You shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company Group any confidential or proprietary information or intellectual property relating to a former employer or other third party without the prior written per-mission of such third party. You shall comply with all policies and guidelines regarding the protection of confidential information and intellectual property and potential conflicts of interest. You acknowledge that the Company may amend any such policies and guidelines from time to time, and that you remain at all times bound by their most current version.

(c) *Cooperation.* Both during and after the term of your employment with the Company, you shall reasonably cooperate (with due regard given to your other commitments), (i) with the Company in the defense of any legal matter not adverse to you and involving any matter that arose during your employment with the Company or any other member of the Company Group; and (ii) with all government authorities on matters pertaining to any investigation, litigation or administrative proceeding pertaining to the Company or any other member of the Company Group, in each case, relating to your employment period and not adverse to you. The Company will reimburse you for any reasonable travel and out-of-pocket costs and expenses incurred by you in providing such cooperation.

(d) *Specific Performance.* You acknowledge and agree that the Company's remedies at law for a breach or threatened breach of any of the covenants herein would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, you agree that, in the case of a breach or threatened breach of any of the covenants herein, seek equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

6. **Termination; Termination Benefits.**

(a) Prior to the first anniversary of the Commencement Date, your employment hereunder may be terminated (i) by you at any time for any or no reason upon no less than 30 days prior written notice to the Board or (ii) by the Company at any time for any reason or no reason upon no less than 30 days prior written notice to you (except if such termination is for Cause, in accordance with Section 6(b) below, in which case such termination will be effective upon written notice, subject to applicable cure rights).

(b) For purposes of this Agreement, "Cause" shall mean (i) your willful and continued breach of this Agreement or failure to perform your duties hereunder after a written demand for substantial performance is delivered to you by the Company, which demand specifically identifies the manner in which the Company believes that you have not substantially performed your duties; (ii) your conviction of or plea of guilty or nolo contendere to felony criminal conduct; or (iii) his material breach of Section 5 of this Agreement that is not cured within 30 days after you are provided written notice of your breach by the Company.

7. **Miscellaneous.**

(a) This Agreement, together with any agreements referenced herein, constitutes the complete, final and exclusive embodiment of the entire agreement between you, the Parent and the Company with regard to the terms and conditions of your employment as Interim President and Chief Executive Officer. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations and any other written or oral statements concerning your rights to any compensation, equity or benefits from the Parent, the Company, their respective predecessors or successors in interest.

(b) This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company and the Parent.

(c) This Agreement may be signed in counterparts and the counterparts taken together shall constitute one agreement.

(d) THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE

(WHETHER OF THE STATE OF CALIFORNIA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF CALIFORNIA TO BE APPLIED.

(e) This Agreement and the payments hereunder are intended to be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury regulations and guidance issued thereunder (“Section 409A”) and shall be interpreted in accordance with such intent. Each payment in a series of payments hereunder shall be deemed to be a separate payment for purposes of Section 409A.

[Signature Page Follows]

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

GROCERY OUTLET HOLDING CORP.

By: /s/ Luke D. Thompson
Name: Luke D. Thompson
Title: Executive Vice President, General
Counsel and Secretary

GROCERY OUTLET INC.

By: /s/ Luke D. Thompson
Name: Luke D. Thompson
Title: Executive Vice President, General
Counsel and Secretary

ERIC J. LINDBERG, JR.

/s/ Eric J. Lindberg, Jr.

**RESTRICTED STOCK UNIT GRANT NOTICE
UNDER THE
GROCERY OUTLET HOLDING CORP.
2019 INCENTIVE PLAN**

Grocery Outlet Holding Corp. (the "Company"), pursuant to its 2019 Incentive Plan, as it may be amended and restated from time to time (the "Plan"), hereby grants to the Participant set forth below the number of Restricted Stock Units set forth below. The Restricted Stock Units are subject to all of the terms and conditions as set forth herein, in the Restricted Stock Unit Agreement (attached hereto or previously provided to the Participant in connection with a prior grant), and in the Plan all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Participant: Eric J. Lindberg, Jr.

Date of Grant: October 29, 2024

Vesting Commencement Date: October 29, 2024

Number of Restricted Stock Units: *[Insert Number of Restricted Stock Units Granted]*

Vesting Schedule: Provided the Participant has not undergone a Termination prior to the vesting date (or event), 100% of the Restricted Stock Units will vest on the earlier to occur of (i) the New CEO Commencement Date (as defined in that certain letter agreement between the Participant, the Company and Grocery Outlet, Inc., dated October 29, 2024 (the "Employment Agreement"), and (ii) any Separation Date (as defined in the Employment Agreement) occurring prior to the New CEO Commencement Date (other than any Separation Date resulting from a Bad Leaver Event (as defined in the Employment Agreement).

Dividend Equivalents: The Restricted Stock Units shall be credited with dividend equivalent payments, as provided in Section 13(c)(iii) of the Plan.

* * *

By: Luke D. Thompson

Title: Executive Vice President, General Counsel and Secretary

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN.

PARTICIPANT

Eric J. Lindberg, Jr.

**RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
GROCERY OUTLET HOLDING CORP.
2019 INCENTIVE PLAN**

Pursuant to the Restricted Stock Unit Grant Notice (the "Grant Notice") delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Restricted Stock Unit Agreement (this "Restricted Stock Unit Agreement") and the Grocery Outlet Holding Corp. 2019 Incentive Plan, as it may be amended and restated from time to time (the "Plan"), Grocery Outlet Holding Corp. (the "Company") and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. **Grant of Restricted Stock Units.** Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one share of Common Stock). The Company may make one or more additional grants of Restricted Stock Units to the Participant under this Restricted Stock Unit Agreement by providing the Participant with a new Grant Notice, which may also include any terms and conditions differing from this Restricted Stock Unit Agreement to the extent provided therein. The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.

2. **Vesting.** Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest as provided in the Grant Notice.

3. **Settlement of Restricted Stock Units.** Subject to any election by the Committee pursuant to Section 8(d)(ii) of the Plan, the Company will deliver to the Participant, without charge, as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, one share of Common Stock for each Restricted Stock Unit (as adjusted under the Plan, as applicable) which becomes vested hereunder and such vested Restricted Stock Unit shall be cancelled upon such delivery. The Company shall either (a) deliver, or cause to be delivered, to the Participant a certificate or certificates therefor, registered in the Participant's name or (b) cause such shares of Common Stock to be credited to the Participant's account at the third party plan administrator. Notwithstanding anything in this Restricted Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any shares of Common Stock as contemplated by this Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Company's shares of Common Stock are listed for trading.

4. **Treatment of Restricted Stock Units Upon Termination.** The provisions of Section 8(c)(ii) of the Plan are incorporated herein by reference and made a part hereof, subject to the Vesting Schedule as provided in the Grant Notice (and, for the avoidance of doubt, in the event of any conflict between the Grant Notice and Section 8(c)(ii) of the Plan, the provisions of the Grant Notice will prevail).

5. **Company; Participant.**

(a) The term "Company" as used in this Restricted Stock Unit Agreement with reference to employment shall include the Company and its Subsidiaries.

(b) Whenever the word "Participant" is used in any provision of this Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred in accordance with Section 13(b) of the Plan, the word "Participant" shall be deemed to include such person or persons.

6. **Non-Transferability.** The Restricted Stock Units are not transferable by the Participant except to Permitted Transferees in accordance with Section 13(b) of the Plan. Except as otherwise provided herein, no assignment or transfer of the Restricted Stock Units, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Restricted Stock Units shall terminate and become of no further effect.

7. **Rights as Shareholder.** The Participant or a Permitted Transferee of the Restricted Stock Units shall have no rights as a shareholder with respect to any share of Common Stock underlying a Restricted Stock Unit unless and until the Participant shall have become the holder of record or the beneficial owner of such share of Common Stock, and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof.

8. **Tax Withholding.** The provisions of Section 13(d) of the Plan are incorporated herein by reference and made a part hereof. The Participant shall satisfy such Participant's withholding liability, if any, referred to in Section 13(d) of the Plan by having the Company (and hereby authorizes the Company to) deliver instructions to the third party administrator/broker designated by the Company to administer Plan transaction to effectuate a "sell to cover" transaction on behalf of the Participant, whereby the Participant will sell a number of shares of Common Stock having a fair market value, on the date that the Restricted Stock Units are settled, equal to such withholding liability, and remitted the proceeds from such transaction to the Company.

9. **Notice.** Every notice or other communication relating to this Restricted Stock Unit Agreement between the Company and the Participant shall be in writing, which may include by electronic mail, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; provided that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's General Counsel or its designee, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

10. **No Right to Continued Service.** This Restricted Stock Unit Agreement does not confer upon the Participant any right to continue as an employee or other service provider to the Company.

11. **Binding Effect.** This Restricted Stock Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

12. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Restricted Stock Unit Agreement shall be valid only if made in writing and signed by the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

13. **Clawback/Forfeiture.** Notwithstanding anything to the contrary contained herein or in the Plan, if the Participant has engaged in or engages in any Detrimental Activity, then the Committee may, in its sole discretion, take actions permitted under the Plan, including: (a) canceling the Restricted Stock Units, or (b) requiring that the Participant forfeit any gain realized on the disposition of any shares of Common Stock received in settlement of any Restricted Stock Units, and repay such gain to the Company. In addition, if the Participant receives any amount in excess of what the Participant should have received under the terms of this Restricted Stock Unit Agreement for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company. Without limiting the foregoing, all Restricted Stock Units shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with applicable law.

14. **Governing Law.** This Restricted Stock Unit Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof. Notwithstanding anything contained in this Restricted Stock Unit Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Restricted Stock Unit Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Delaware.

15. **Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

16. **Section 409A.** It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the “short-term deferral” rule applicable to such section, as set forth in the regulations or other guidance published by the Internal Revenue Service thereunder.

17. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant’s participation in the Plan, on the Restricted Stock Units and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents 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 on-line or electronic system established and maintained by the Company or a third party designated by the Company.

19. **Entire Agreement.** This Restricted Stock Unit Agreement, the Grant Notice and the Plan constitute the entire agreement of the parties hereto in respect of the subject matter contained herein and supersede all prior agreements and understandings of the parties, oral and written, with respect to such subject matter.



Grocery Outlet Holding Corp. Announces CEO Transition

Former CEO Eric Lindberg returning to lead the business while the Company conducts a search for its next CEO

Company provides certain preliminary Q3 2024 results and update to full year 2024 guidance

EMERYVILLE, Calif., October 30, 2024 - Grocery Outlet Holding Corp. (NASDAQ: GO) (“Grocery Outlet” or the “Company”) today announced that Eric Lindberg, current Chairman of the Board, has been appointed Interim President and CEO, effective immediately. Lindberg replaces RJ Sheedy, who has stepped down from his position and resigned from the Company’s Board of Directors. The Board has engaged a leading global executive search firm to begin the process of identifying a permanent CEO.

With more than three decades of leadership experience at the Company, Lindberg is a Grocery Outlet veteran with a deep knowledge of its operations and strategy. He previously served as CEO or co-CEO from January 2006 through December 2022, during which time he led Grocery Outlet’s transformation from a closely-held family-owned business to a sponsor-backed private company, taking on significant outside capital from Berkshire Partners and Hellman & Friedman, and then ultimately to a publicly-traded company in 2019. Under Lindberg’s leadership, Grocery Outlet increased its store count more than 250% and its net sales nearly 500%, expanding to markets across the country. Lindberg has served as a Director since January 2006 and as Chairman of the Board since January 2023.

“On behalf of the Board, I want to express my deep appreciation to RJ for his contributions to Grocery Outlet over the past 12 years,” said Lindberg. “RJ played a critical role in scaling and evolving our business and has set the stage for continued strong growth in the future.

“The fundamentals of our business – the significant value and treasure hunt shopping experience we bring to customers – remain strong and the runway in front of us is substantial,” continued Lindberg. “I look forward to working with our employees, independent operators and supplier partners to deliver outstanding execution on our strategy and unlock Grocery Outlet’s earnings potential.”

“Grocery Outlet is an exceptional business with an almost 80-year track record of generating outsized growth and returns through its highly differentiated business model,” said Erik Ragatz, Lead Independent Director. “We are fortunate to have a leader of Eric’s quality and experience to shepherd this transition. The Board looks forward to working with Eric to drive the business as we search for our next leader who will guide our mission of ‘Touching Lives for the Better,’ delivering Grocery Outlet’s unique offering to millions of existing and new customers and, in the process, producing outstanding returns for our shareholders.”

Financial Update

In connection with today’s announcement, the Company is also providing a third quarter financial update based on its preliminary financial results. The Company expects net sales for the third quarter to be \$1.1 billion, a 10.4% increase versus the prior year period, with comparable store sales increasing 1.2%. The Company expects to meet previously discussed third quarter earnings guidance.

The Company is in the process of reassessing its full year guidance. Although the Company expects to exceed the high end of the range of its full year net sales guidance of \$4.30 to \$4.35 billion, the Company expects to reduce its full year adjusted EBITDA guidance to below the low end of the previously disclosed range of \$252.0 to \$260.0 million. As previously announced, the Company will update full year guidance, along with issuing final third quarter 2024 earnings results, on Tuesday November 5, 2024.

The Company’s unaudited preliminary financial and operational results for the third quarter are based on current estimates of its results and remain subject to change based on the completion of our closing and review procedures and the execution of the Company’s internal control over financial reporting. This preliminary financial and operational information should not be viewed as a substitute for full financial statements prepared in accordance with accounting principles generally accepted in the United States (“GAAP”).

The Company has not reconciled the non-GAAP adjusted EBITDA and adjusted diluted earnings per share forward-looking guidance alluded to in this release to the most directly comparable GAAP measures because this cannot be done without unreasonable effort due to the variability and low visibility with respect to taxes and non-recurring items, which are potential adjustments to future earnings. The Company expects the variability of these items to have a potentially unpredictable, and a potentially significant, impact on the Company's future GAAP financial results.

Non-GAAP Financial Information

In addition to reporting financial results in accordance with GAAP, management and the Board of Directors use EBITDA, adjusted EBITDA, adjusted net income and adjusted earnings per share as supplemental key metrics to assess the Company's financial performance. These non-GAAP financial measures are also frequently used by analysts, investors and other interested parties to evaluate the Company and other companies in the Company's industry. Management believes it is useful to investors and analysts to evaluate these non-GAAP measures on the same basis as management uses to evaluate the Company's operating results. Management uses these non-GAAP measures to supplement GAAP measures of performance to evaluate the effectiveness of the Company's business strategies, to make budgeting decisions and to compare the Company's performance against that of other peer companies using similar measures. In addition, the Company uses adjusted EBITDA to supplement GAAP measures of performance to evaluate performance in connection with compensation decisions. Management believes that excluding items from operating income, net income and net income per diluted share that may not be indicative of, or are unrelated to, the Company's core operating results, and that may vary in frequency or magnitude, enhances the comparability of the Company's results and provides additional information for analyzing trends in the Company's business.

Management defines EBITDA as net income before net interest expense, income taxes and depreciation and amortization expenses. Adjusted EBITDA represents EBITDA adjusted to exclude share-based compensation expense, loss on debt extinguishment and modification, asset impairment and gain or loss on disposition, acquisition and integration costs, costs related to the amortization of inventory purchase accounting asset step-ups and certain other expenses that may not be indicative of, or are unrelated to, the Company's core operating results, and that may vary in frequency or magnitude. Adjusted net income represents net income adjusted for the previously mentioned adjusted EBITDA adjustments, further adjusted for the amortization of property and equipment purchase accounting asset step-ups and deferred financing costs, tax adjustment to normalize the effective tax rate, and tax effect of total adjustments. Basic adjusted earnings per share is calculated using adjusted net income, as defined above, and basic weighted average shares outstanding. Diluted adjusted earnings per share is calculated using adjusted net income, as defined above, and diluted weighted average shares outstanding.

These non-GAAP measures may not be comparable to similar measures reported by other companies and have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of the Company's results as reported under GAAP. The Company addresses the limitations of the non-GAAP measures through the use of various GAAP measures. In the future the Company will incur expenses or charges such as those added back to calculate adjusted EBITDA or adjusted net income. The presentation of these non-GAAP measures should not be construed as an inference that future results will be unaffected by the adjustments used to derive such non-GAAP measures.

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this release other than statements of historical fact, including statements regarding the Company's future operating results and financial position, including expected results for the fiscal 2024 third quarter and full year, the Company's CEO search process, the Company's business strategy and plans and shareholder returns may constitute forward-looking statements. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "outlook," "plan," "project," "seek," "will," and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or implied by any forward-looking statements, including the following: failure of suppliers to consistently supply the Company with opportunistic products at attractive pricing; inability to successfully identify trends and maintain a consistent level of opportunistic products; failure to maintain or increase comparable store sales; loss of key personnel or inability to attract, train and retain highly qualified personnel, including the ongoing recruitment for a permanent CEO and CFO; any significant disruption to the Company's distribution network, the operations of its distributions centers and timely receipt of inventory; inflation and other changes affecting the market prices of the products the Company sells; risks associated with newly opened or acquired stores; failure to open, relocate or remodel stores on schedule and on budget; costs and successful implementation of marketing, advertising and promotions; failure to maintain the Company's reputation and the value of its brand, including protecting intellectual property; inability to maintain sufficient levels of cash flow from operations; risks associated with leasing substantial amounts of space; failure to properly integrate any acquired businesses; natural or man-made disasters, climate change, power outages, major health epidemics, pandemic outbreaks, terrorist acts, global political events or other serious catastrophic events and the concentration of the Company's business operations; failure to participate effectively in the growing online retail marketplace; unexpected costs and negative effects if the Company incurs losses not covered by insurance; difficulties associated with labor relations and shortages; failure to remediate material weakness in the Company's internal control over financial reporting; risks associated with economic conditions; competition in the retail food industry; movement of consumer trends toward private labels and away from name-brand products; risks associated with deploying the Company's own private label brands; inability to attract and retain qualified independent operators of the Company ("IOs"); failure of the IOs to successfully manage their business; failure of the IOs to repay notes outstanding to the Company; inability of the IOs to avoid excess inventory shrink; any loss or changeover of an IO; legal proceedings initiated against the IOs; legal challenges to the IO/independent contractor business model; failure to maintain positive relationships with the IOs; risks associated with actions the IOs could take that could harm the Company's business; material disruption to information technology systems, including risks associated with any continued impact from the

Company's systems transition; failure to maintain the security of information relating to personal information or payment card data of customers, employees and suppliers; risks associated with products the Company and its IOs sell; risks associated with laws and regulations generally applicable to retailers; legal or regulatory proceedings; the Company's substantial indebtedness could affect its ability to operate its business, react to changes in the economy or industry or pay debts and meet obligations; restrictive covenants in the Company's debt agreements may restrict its ability to pursue its business strategies, and failure to comply with any of these restrictions could result in acceleration of the Company's debt; risks associated with tax matters; changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters; and the other factors discussed under "Risk Factors" in the Company's most recent annual report on Form 10-K and in other subsequent reports the Company files with the United States Securities and Exchange Commission (the "SEC"). The Company's periodic filings are accessible on the SEC's website at www.sec.gov.

Moreover, the Company operates in a very competitive and rapidly changing environment, and new risks emerge from time to time. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, and the Company's expectations based on third-party information and projections are from sources that management believes to be reputable, the Company cannot guarantee that future results, levels of activity, performance or achievements. These forward-looking statements are made as of the date of this release or as of the date specified herein and the Company has based these forward-looking statements on current expectations and projections about future events and trends. Except as required by law, the Company does not undertake any duty to update any of these forward-looking statements after the date of this release or to conform these statements to actual results or revised expectations.

About Grocery Outlet

Based in Emeryville, California, Grocery Outlet is a high-growth, extreme value retailer of quality, name-brand consumables and fresh products sold primarily through a network of independently operated stores. Grocery Outlet and its subsidiaries have more than 520 stores in California, Washington, Oregon, Pennsylvania, Tennessee, Idaho, Nevada, Maryland, North Carolina, New Jersey, Georgia, Ohio, Alabama, Delaware, Kentucky and Virginia.

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