GROCERY OUTLET HOLDING CORP.

CORPORATE GOVERNANCE GUIDELINES

INTRODUCTION

The Board of Directors (the "Board") of Grocery Outlet Holding Corp. (the "Company") has adopted these corporate governance guidelines, which describe the principles and practices that the Board will follow in carrying out its responsibilities. These guidelines will be reviewed by the Nominating and Corporate Governance Committee from time to time to ensure that they effectively promote the best interests of both the Company and the Company's stockholders and that they comply with all applicable laws, regulations and stock exchange requirements.

A. Role and Responsibility of the Board

The Board directs and oversees the management of the business and affairs of the Company in a manner consistent with the best interests of the Company and its stockholders. In this oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the stockholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

B. Board Composition, Structure and Policies

1. ***Board Size***. The Nominating and Corporate Governance Committee shall consider and make recommendations to the Board concerning the appropriate size and needs of the Board. The Board shall determine the appropriate Board size, taking into consideration such recommendation of the Nominating and Corporate Governance Committee and any parameters set forth in the Company's certificate of incorporation and by-laws, as well as any contractual obligations of the Company. The Nominating and Corporate Governance Committee shall also consider candidates to fill new positions created by expansion and vacancies that occur by resignation, retirement or for any other reason.

2. ***Independence of Directors***. The Board shall make an affirmative determination at least annually as to the independence of each director. The Company defines an "independent" director in accord with Rule 5605 of the NASDAQ Marketplace Rules). The NASDAQ independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no material relationships exist

which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

For so long as the Company qualifies as a "controlled company" within the meaning of the NADSAQ corporate governance standards, it may elect not to comply with certain corporate governance standards, including the requirement that a majority of the board of directors consist of independent directors. Subject to certain exemptions available to "controlled companies" and during applicable transition periods, additional independence requirements for members of the Audit and Risk Management Committee and the Compensation Committee apply. For so long as the Company qualifies as a "controlled company" within the meaning of the NASDAQ corporate governance requirements and during certain transition periods, the Company may elect not to comply with such independence requirements with respect to members of the Compensation Committee and with respect to certain members of the Audit and Risk Management Committee. No director may serve on the Audit and Risk Management Committee or the Compensation Committee of the Board unless such director meets all of the applicable criteria established for service in each such committee by the NASDAQ rules and any other applicable rules or laws.

3. ***Selection of Chairperson of the Board and Chief Executive Officer***. The Board's general policy is that the positions of chairperson ("Chairperson") of the Board and Chief Executive Officer ("CEO") should be held by separate persons as an aid in the Board's oversight of management.

4. ***Director Qualification Standards***. The Nominating and Corporate Governance Committee is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board, subject to any obligations and procedures governing the nomination of directors to the Board that may be set forth in any stockholders agreement to which the Company is party. It is expected that the Nominating and Corporate Governance Committee will consider (a) minimum individual qualifications, including strength of character, mature judgment, industry knowledge or experience and an ability to work collegially with the other members of the Board and (b) all other factors it considers appropriate, which may include age, gender and ethnic and racial background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as antitrust issues, corporate governance background, financial and accounting background, executive compensation background and the size, composition and combined expertise of the existing Board. The Board should monitor the mix of specific experience, qualifications and skills of its

directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure. Stockholders may also nominate directors for election at the Company's annual stockholders meeting by following the provisions set forth in the Company's bylaws, whose qualifications the Nominating and Corporate Governance Committee will consider.

5. ***Conflicts of Interest***. If an actual or potential conflict of interest develops because of a change in the business of the Company, a director's circumstances or otherwise, the director should report the matter immediately to the General Counsel or such other person designated by the Board for evaluation and appropriate resolution.

6. ***Change in Present Job Responsibility***. Directors should offer to resign upon a significant change of the director's principal current employer or principal employment, or other similarly significant change in professional occupation or association. The Nominating and Corporate Governance Committee will recommend to the Board the action, if any, to be taken with respect to the offer to resign. The Board shall determine the action, if any, to be taken with respect to the offer to resign.

7. ***Retirement Age for Directors***. Directors are required to retire from the Board when they reach the age of 80, provided that a director (i) elected to the Board prior to his or her 80th birthday or (ii) serving as a member of the Board as of the consummation of the Company's initial public offering may continue to serve until the next stockholders meeting coincident with or following his or her 80th birthday at which directors of the class to which such director belongs shall be elected. On the recommendation of the Nominating and Corporate Governance Committee, the Board may waive this requirement as to any director if it deems such waiver to be in the best interests of the Company. This retirement requirement shall not apply to the Company's Chief Executive Officer if he or she is a member of the Board.

8. ***Director Orientation and Continuing Education***. Management, working with the Board, will provide an orientation process for new directors and coordinate director continuing education programs. The orientation programs are designed to familiarize new directors with the Company's businesses, strategies and challenges and to assist new directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business.

9. ***Lead Director***. At such time as the Company ceases to qualify as a "controlled company," if the Chairperson of the Board is also the CEO or is a director who does not otherwise qualify as an "independent director", the independent directors will elect from among themselves a Lead Director of the Board. Following nomination by the Nominating and Corporate Governance Committee, the Lead

Director nominee will be approved by a plurality vote of the independent directors and will serve until the Board meeting immediately following the next annual meeting of stockholders, unless otherwise determined by the Board. No director shall serve as Lead Director for more than five consecutive years. A description of the position of Lead Director is set forth in Annex A to these guidelines.

10. ***Term Limit***. The Board does not have a policy to impose term limits for directors because such a policy may deprive the Board of the service of directors who have developed, through valuable experience over time, an increasing insight into the Company and its operations. However, to ensure that the Board continues to evolve and remains composed of high functioning members able to keep their commitments to Board service, the Board will evaluate the qualifications and performance of each incumbent director before recommending the nomination of that director for an additional term.

C. Board Meetings

1. ***Frequency of Meetings***. The Board currently plans at least four meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board. During most of those meetings, most committees will meet, as well as the full Board.

2. ***Selection of Board Agenda Items***. The CEO, in consultation with the Chairperson, shall set the agenda for Board meetings with the understanding that the Board is responsible for providing suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Any member of the Board may request that an item be included on the agenda.

3. ***Access to Management and Independent Advisors***. Board members shall have free access to all members of management and employees of the Company. Generally, any meeting or contact that a director wishes to initiate with an employee should be arranged through the Company's CEO or General Counsel. In addition, as necessary and appropriate, Board members may consult with independent legal, financial, accounting and other advisors, at the Company's expense, to assist in their duties to the Company and its stockholders.

4. ***Executive Sessions***. To ensure free and open discussion and communication among the non-management directors of the Board, the non-management directors will meet in executive session at most Board meetings with no members of management present. Independent directors will meet in a private session that excludes management, non-independent and affiliated directors at least once a year. A director designated by the non-management or independent and non-affiliated directors, as applicable, will preside at executive sessions.

D. Committees of the Board

The Board shall have at least three standing committees: the Audit and Risk Management Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee shall have a written charter and shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee. The Board may elect to designate additional standing or ad hoc committees.

Each of the Audit and Risk Management Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be comprised of no fewer than three members. In addition, each committee member must satisfy the membership requirements set forth in the relevant committee charter. A director may serve on more than one committee.

The Nominating and Corporate Governance Committee shall be responsible for identifying Board members qualified to fill vacancies on any committee and recommending that the Board appoint the identified member or members to the applicable committee. The Board, taking into account the views of the Chairperson and the Nominating and Corporate Governance Committee, shall designate one member of each committee as chairperson of such committee. Committee chairpersons shall be responsible for setting the agendas for their respective committee meetings.

E. Expectations of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with state and other applicable laws and regulations. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. ***Commitment and Attendance***. All directors are expected to make every effort to attend all meetings of the Board, meetings of the committees of which they are members and the annual meeting of stockholders. Members are encouraged to attend Board meetings and meetings of committees of which they are members in person but may also attend such meetings by telephone or video conference.

2. ***Participation in Meetings***. Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

3. ***Loyalty and Ethics***. In their roles as directors, all directors owe a duty of loyalty to the Company. The Company has adopted a Code of Business Conduct and Ethics (the "Code"), which includes a compliance program to enforce the Code,

and directors are expected to adhere to the Code.

4. ***Other Directorships and Significant Activities***. Serving on the Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. Without specific approval from the Nominating and Corporate Governance Committee, no director may serve on more than five public company boards (including the Company's Board), and no member of the Audit and Risk Management Committee may serve on more than three public company audit committees (including the Company's Audit and Risk Management Committee). In addition, directors who also serve as executive officers or in equivalent positions generally should not serve on more than two public company boards, including the Company's Board, in addition to their employer's board. Directors should advise the Chairperson of the Nominating and Corporate Governance Committee and the Chairperson and CEO before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses, non-profit entities or governmental units.

5. ***Contact with Management***. All directors are invited to contact the Chairperson and CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the Chairperson and CEO and other members of management in Board and committee meetings and in other formal or informal settings.

6. ***Confidentiality***. The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

F. Management Succession Planning

At least annually, the Board shall review a succession plan for the executive officers (as defined by Section 16 of the Securities Exchange Act of 1934, as amended), developed by management and reviewed by the Nominating and Corporate Governance Committee. The succession plan should include, among other things, an assessment of the experience, performance and skills for possible successors to the Chairperson and CEO.

G. Evaluation of Board Performance

It is expected that the Board will periodically conduct a self-evaluation to determine whether it is functioning effectively and consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively. The Lead Director, or, if none, the Chairperson, is expected to be responsible for the oversight of the Board's self-evaluation.

H. Board Compensation

The Nominating and Corporate Governance Committee will review the form and amount of director compensation from time to time and recommend any changes to the Board, as it deems appropriate. Non-employee directors are expected to receive a portion of their annual retainer in the form of equity. Directors who are employed by the Company or by Hellman & Friedman LLC or its affiliates (excluding portfolio companies) are not paid additional compensation for their services as directors.

I. Communications with Stockholders

The Chairperson and CEO is responsible for establishing effective communications with all interested parties, including stockholders of the Company. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside directors, including the Lead Director, if any, from meeting with stockholders, but it is suggested that, in most circumstances, any such meetings be held with management present.

J. Implementation of Stockholders Agreements

To the extent the Company is a party to any stockholders agreements, the Board shall act appropriately, and in accordance with the applicable provisions of such stockholders agreements and applicable law, to nominate individuals to serve as members of the Board, to fill vacancies on the Board, to serve on Board committees and to comply with such other matters as may be specified in such stockholders agreements.

K. Communications with Non-Management Directors

Anyone who would like to communicate with, or otherwise make his or her concerns known directly to the chairperson of any of the Audit and Risk Management, the Nominating and Corporate Governance and the Compensation Committees, or to the non-management or independent directors as a group, may do so by addressing such communications or concerns to the Company's General Counsel at the corporate headquarters of the Company.

The General Counsel shall initially review and compile all such communications and may summarize such communications prior to forwarding to the to the appropriate party. The General Counsel will not forward communications that are not relevant to the duties and responsibilities of the Board, including spam, junk mail and mass mailings, product or service inquiries, new product or service suggestions, resumes or other forms of job inquiries, opinion surveys and polls, business solicitations or advertisements, or other frivolous communications.

ANNEX A
DESCRIPTION OF LEAD DIRECTOR RESPONSIBILITIES

If the Company is no longer a "controlled company" and the Chairperson of the Board is also the Chief Executive Officer ("CEO") or is a director who does not otherwise qualify as an "independent director" under the Company's Governance Guidelines, a "Lead Director" shall be elected annually by plurality vote of the independent directors, pursuant to a secret ballot, following nomination by the Nominating and Corporate Governance Committee. Although annually elected, the Lead Director must serve for more than one year. Service as Lead Director, however, generally should not exceed five consecutive years but is subject to the Board's discretion to set other guidelines in specific instances.

The Lead Director shall help coordinate the efforts of the independent and non-management directors in the interest of ensuring that objective judgment is brought to bear on sensitive issues involving the management of the Company and, in particular, the performance of senior management, and shall have the following authority:

- preside over all meetings of the Board at which the Chairperson is not present, including meetings of the non-management directors which are to be held at least quarterly;
- assist in scheduling Board meetings and approve meeting schedules to ensure that there is sufficient time for discussion of all agenda items;
- request the inclusion of certain materials for Board meetings;
- approve of all information sent to the Board;
- communicate to the CEO, together with the Chairperson of the Compensation Committee, the results of the Board's evaluation of CEO performance;
- collaborate with the CEO on Board meeting agendas and approve such agendas;
- collaborate with the CEO in determining the need for special meetings of the Board;
- provide leadership and serve as temporary Chairperson of the Board or CEO in the event of the inability of the Chairperson of the Board or CEO to fulfill his/her role due to crisis or other event or circumstance which would make leadership by existing management inappropriate or ineffective, in which case the Lead Director shall have the authority to convene meetings of the full Board or management;
- serve as the liaison for stockholders who request direct communications with the Board;
- act as the liaison between the non-management directors and the Chairperson of the Board, as appropriate;
- call meetings of the non-management directors when necessary and appropriate; and

- recommend to the Board, in concert with the chairpersons of the respective Board committees, the retention of consultants and advisors who directly report to the Board, including such independent legal, financial or other advisors as he or she deems appropriate, without consulting or obtaining the advance authorization of any officer of the Company.