September 27, 2018

Dear Fellow Stockholders:

On behalf of the Board of Directors (the “Board”) of Rite Aid Corporation (“Rite Aid” or the “Company”), we want to take this opportunity to invite you to attend our 2018 Annual Meeting of Stockholders. The meeting will be held at 8:30 a.m., local time, on Tuesday, October 30, 2018, at the New York Marriott Marquis, 1535 Broadway, New York, NY 10036. At the meeting, stockholders will vote on the proposals set forth in the Notice of Annual Meeting and the accompanying proxy statement.

As a Board, our focus remains on taking actions to best position Rite Aid for the long term in the face of the various industry, economic and company-specific challenges. Our top priorities include continuing to engage with our stockholders, executing on Rite Aid’s strategic plan and creating long-term stockholder value. Rite Aid’s network of conveniently located retail pharmacies, our EnvisionRxOptions Pharmacy Benefits Management (PBM) company and our trusted brand of health and wellness offerings provide a strong foundation to create long-term value for our stockholders.

Since the termination of the Albertsons transaction, our Board has spearheaded a campaign to have our independent directors engage with our stockholders. Independent directors and management together have reached out to 11 of our largest stockholders, owning in the aggregate approximately 38% of our shares, and independent directors have engaged directly with six of these stockholders to date, owning in the aggregate approximately 29% of our shares. In addition, management has communicated with many retail stockholders and received their feedback. We greatly value the insightful input about Rite Aid that our stockholders have provided in these and other exchanges.

Based on the feedback we received, and consistent with our commitment to align Rite Aid’s interests with those of our stockholders, we are making several changes to strengthen and enhance the Board’s governance oversight. First, the Board has decided to separate the positions of Chairman and Chief Executive Officer, and Bruce G. Bodaken will hold the position of Chairman effective at the 2018 Annual Meeting of Stockholders. The Board also has significantly accelerated its efforts to change the composition of the Board. As part of that refreshment process, three of our current eight independent directors will not be standing for re-election and we are nominating three new independent directors—Robert E. Knowling, Jr., Louis P. Miramontes and Arun Nayar. These changes will bring fresh perspectives to the opportunities and challenges before us. Our new director nominees, Bob, Lou and Arun, also bring public company experience, strategic planning skills and financial expertise to the Board. We are committed to continuing the Board refreshment process over the next year to ensure we have the right mix of experience, expertise and fresh perspectives to guide Rite Aid going forward.

One of the Board’s most important tasks is choosing the Company’s Chief Executive Officer. After rigorous and thoughtful evaluation and discussion, the Board firmly believes that John Standley is best situated to serve as Rite Aid’s Chief Executive Officer. In reaching this conclusion, the Board considered his extensive industry experience and in-depth understanding of all aspects of the Company, including its customers, operations and key business drivers. The Board believes this experience and understanding will be vital to navigating the Company through its current challenges and building stockholder value for the long term, as well as providing stability to the Company’s many constituents.

The Board also has been deeply involved in overseeing management’s development of the strategic initiatives that the Company is undertaking to enhance stockholder value as a stand-alone company.
These initiatives are designed to capitalize on Rite Aid’s valuable store and PBM businesses to grow revenues, improve efficiency and drive profitability. As part of this effort, we are taking actions to drive prescription growth and front-end sales by working to expand our access to preferred and limited networks, enhancing our pharmacy clinical capabilities to improve patient outcomes, leveraging our valuable Wellness brand, refining our merchandising efforts and expanding our omnichannel capabilities. Our actions also include expanding EnvisionRxOptions’ Medicare Part D business, improving payor relations to stabilize reimbursement rate pressures, obtaining efficient generic drug pricing and continuing to control costs through a leaner, more efficient structure.

As the Board continues to oversee management’s implementation of these strategic initiatives, it believes that Mr. Standley’s knowledge and experience are critical to their successful execution. Going forward, our new Chairman, Mr. Bodaken, and our other independent directors will continue to evaluate Mr. Standley’s performance in executing these strategic initiatives, and will work with Mr. Standley to review, evaluate and develop all levels of senior management.

We view the governance changes described above as the first steps in reinvigorating our corporate governance practices and policies. Over the coming year, the Board will continue to seek stockholder input and identify new candidates to further refresh the Board. We will also consider corporate governance enhancements, including addressing items specifically raised by stockholders in the course of our recent and ongoing engagement efforts. The attached proxy statement contains additional information concerning topics raised by some of our stockholders in the course of that engagement and our review of additional corporate governance changes.

Your vote is important to us. Please vote as soon as possible even if you plan to attend the Annual Meeting. We appreciate your continued ownership of Rite Aid shares and your support.

Sincerely,

The Continuing Independent Directors of Rite Aid:

Joseph B. Anderson, Jr.  Bruce G. Bodaken  Kevin E. Lofton

Michael N. Regan  Marcy Syms

Refer to the section titled “Cautionary Statement Regarding Forward-Looking Statements” for a discussion of risks and uncertainties that could cause actual results to differ materially from those projected.
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this proxy statement that are not historical, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements regarding Rite Aid’s competitive position and the ability to implement new strategies following completion of the sale of the remaining Rite Aid distribution centers and related assets to Walgreens Boots Alliance, Inc. (“WBA”) and termination of the proposed merger with Albertsons Companies, Inc. (“ACI”); and any assumptions underlying any of the foregoing. Words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” and “will” and variations of such words and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are not guarantees of future performance and involve risks, assumptions and uncertainties, including, but not limited to, our high level of indebtedness and our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our debt agreements; general economic, industry, market, competitive, regulatory and political conditions; our ability to improve the operating performance of our stores in accordance with our long term strategy; the impact of private and public third-party payers continued reduction in prescription drug reimbursements and efforts to encourage mail order; our ability to manage expenses and our investments in working capital; outcomes of legal and regulatory matters; changes in legislation or regulations, including healthcare reform; our ability to achieve the benefits of our efforts to reduce the costs of our generic and other drugs; risks related to the pending sale of the remaining Rite Aid distribution centers and related assets to WBA, including the possibility that the transactions may not close, or the business of Rite Aid may suffer as a result of uncertainty surrounding the pending transactions; risks resulting from the termination of the proposed merger with ACI, including the risk that the termination could have an adverse effect on Rite Aid’s ability to retain customers and retain and hire key personnel and maintain relationships with suppliers and customers and on our operating results and businesses generally; the risk of litigation related to the termination of the merger agreement with ACI or the proposed merger; and potential changes to our strategy following the termination of the proposed merger with ACI, which may include delaying or reducing capital or other expenditures, selling assets or other operations, attempting to restructure or refinance our debt, or seeking additional capital, and other business effects. These and other risks, assumptions and uncertainties are more fully described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and in other documents that we file or furnish with the Securities and Exchange Commission (the “SEC”), which you are encouraged to read. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Rite Aid expressly disclaims any current intention to update publicly any forward-looking statement after the distribution of this proxy statement, whether as a result of new information, future events, changes in assumptions or otherwise.