

SMART & FINAL STORES, INC.

Audit Committee Charter

(adopted on September 5, 2014; amended on July 9, 2015)

I. Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Smart & Final Stores, Inc. (the “Corporation”) is to assist the Board in its oversight of (A) the integrity of the Corporation’s financial statements, (B) the Corporation’s compliance with legal and regulatory requirements, (C) any independent registered public accounting firm engaged by the Corporation and (D) the Corporation’s internal audit function. In particular, the Committee shall:

- serve as an independent party to monitor the Corporation’s financial reporting processes and internal control system;
- discuss the audit conducted by the Corporation’s independent registered public accounting firm; and
- provide an open avenue of communication among the Corporation’s independent registered public accounting firm, management and the Board.

While the Committee has the responsibilities and powers set forth in this Audit Committee Charter (this “Charter”), it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements and disclosures are complete and accurate, fairly present the information shown or are in accordance with generally accepted accounting principles (“GAAP”) and applicable rules and regulations. These are the responsibilities of management and the Corporation’s independent registered public accounting firm. Nor is it the duty of the Committee to conduct investigations or to assure compliance with any law, regulation or rule, including of those of the Securities and Exchange Commission (the “SEC”) and the New York Stock Exchange (the “NYSE”), or the Corporation’s Corporate Governance Guidelines or Code of Business Conduct and Ethics. Instead, the Committee shall oversee the Corporation’s accounting and financial reporting processes and the audit of the Corporation’s financial statements.

Each member of the Committee shall be entitled to rely on (1) the integrity of those persons within and outside the Corporation and management from which it receives information, (2) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary and (3) statements made by management or other third parties as to any information technology, internal audit and other non-audit services provided by the Corporation’s independent registered public accounting firm.

II. Membership

The Committee shall consist of no fewer than three directors. Except as may otherwise be permitted by the rules of the NYSE and the SEC, each member of the Committee shall, in the determination of the Board, be (A) an “Independent Director” who (1) satisfies the independence and other requirements established by the NYSE, and (2) meets the independence requirements of Section 10A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Rule 10A-3(b)(1) under the Exchange Act and (B) financially literate, as determined by the Board in its business judgment, or must become

financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, the Committee shall at all times include at least one member who has accounting or related financial management expertise, as the Board interprets such qualification in its business judgment and at least one member who is, in the judgment of the Board, an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K under the Securities Act of 1933, as amended (“Regulation S-K”). If a Committee member simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair such member’s ability to effectively serve on the Committee and the Corporation must disclose such determination in its annual proxy statement.

The members of the Committee shall be appointed, replaced and removed by the Board based on the recommendation of the Nominating and Corporate Governance Committee of the Board. The members of the Committee shall serve in accordance with the Corporation’s bylaws. The chairperson of the Committee shall be elected by the Board; provided, that if the Board does not so designate a chairperson, the Committee may designate such chairperson.

III. Meetings; Rules of Procedure

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. Special meetings may be convened as the Committee deems necessary or appropriate. The Committee may ask members of management or others to attend a meeting of the Committee (or to meet with any member of, or advisers to, the Committee) and provide pertinent information as necessary or desirable. The Committee may adopt such procedures as it deems appropriate and necessary to carry out the duties and responsibilities of the Committee. The Committee shall report regularly to the Board, not less frequently than quarterly. Notice of Committee meetings shall be given in the same manner as notice for special meetings of the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The act of a majority of the Committee members present at a meeting shall be the act of the Committee.

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (A) compensation to any independent registered public accounting firm engaged by the Corporation for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Corporation, (B) compensation to any advisers (including independent counsel, accountants, consultants and other advisers) employed by the Committee and (C) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

IV. Responsibilities and Duties

A. Accounting, Financial Reporting and Internal Controls Oversight

1. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm engaged by the Corporation for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Corporation. Each such independent registered public accounting firm shall report directly to the Committee.
2. The Committee shall pre-approve all audit and permitted non-audit and tax services that may be provided by the Corporation’s independent registered public accounting firm and establish policies and procedures for the Committee’s pre-approval of permitted services by such independent registered public accounting firm on an ongoing basis. The chairperson of the Committee may pre-approve such services up to a maximum amount of \$50,000, provided that

the chairperson of the Committee must disclose all such pre-approved services to the full Committee at the meeting of the Committee immediately following any such pre-approval.

3. The Committee shall, at least annually, obtain and review a report from the Corporation's independent registered public accounting firm describing: (i) the firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the Corporation's independent registered public accounting firm and the Corporation, including as required by Public Company Accounting Oversight Board Rule 3526 (as may be amended or superseded from time to time).

4. The Committee shall, at least annually, review and evaluate the qualifications, performance and independence of the lead partner of the Corporation's independent registered public accounting firm, ensure that neither the lead partner nor the concurring partner of the Corporation's independent registered public accounting firm serves, respectively, in that capacity for more than five years (or such other period as may be prescribed by the rules and/or regulations of the NYSE, the SEC, the Financial Accounting Standards Board or other similar governing bodies) and present its conclusions, including with respect to each of the matters set forth in Section 2 above and whether the audit firm itself should be changed periodically in order to ensure continuing auditor independence, to the Board.

5. The Committee shall assist the Board in fulfilling its oversight responsibilities related to the Corporation's systems of internal controls and disclosure controls and procedures and review management's process for assessing the effectiveness of internal control over financial reporting. The Committee shall: (i) discuss any changes in internal control over financial reporting, including those that have materially affected or are reasonably likely to materially affect the Corporation's internal control over financial reporting and any other changes in internal control over financial reporting that are considered for disclosure in the Corporation's filings with the SEC; and (ii) review management's annual report on internal control over financial reporting prepared pursuant to Item 308 of Regulation S-K, including, if applicable, obtaining the Corporation's independent registered public accounting firm's attestation.

6. The Committee shall review the Corporation's annual audited and quarterly unaudited financial statements, including any certification, report or opinion rendered by the Corporation's independent registered public accounting firm, and discuss the same (including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the other matters required to be disclosed by, or otherwise described in, Statement on Auditing Standards No. 114) with management and the Corporation's independent registered public accounting firm.

7. The Committee shall review with management the certifications to be included in the Corporation's Annual Report on Form 10-K or Quarterly Report on Form 10-Q and provided by the Corporation's chief executive officer and chief financial officer under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, as amended.

8. The Committee shall review and discuss with management a draft of each earnings release before it is released, as well as corporate practices with respect to (i) earnings releases and (ii) financial information and earnings guidance, if any, provided to financial analysts and ratings agencies.

9. The Committee shall review with the Corporation's independent registered public accounting firm any audit problems or difficulties and management's response, including any difficulties the auditor encountered in the course of the audit work, any restrictions on the scope of the auditor's activities or on access to requested information and any significant disagreements with management. In addition, if applicable, such review may also include any accounting adjustments that were noted or proposed by such auditors but were "passed" (including similar adjustments that were passed because individually they were not material), any communications between the Corporation's independent registered public accounting firm and its national office respecting auditing or accounting issues presented by the engagement, any "management" or "internal control" letter issued, or proposed to be issued, by such auditors to the Corporation and all other material written communications between the Corporation's independent registered public accounting firm and the Corporation's management.

10. The Committee, with input from management, shall discuss and review guidelines and policies with respect to risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

11. The Committee shall monitor the Corporation's maintenance of an internal audit function (which may be outsourced to a firm other than the Corporation's independent auditors), and will oversee the internal auditors (or other personnel responsible for the internal audit function). The internal auditors (or other personnel responsible for the internal audit function) shall report to each of the chief financial officer of the Corporation and to the chairperson of the Committee.

12. The Committee shall have the authority to review and direct the scope of work performed by the Corporation's internal auditors (or other personnel responsible for the internal audit function), and shall review any significant reports prepared by the Corporation's internal auditors (or other personnel responsible for the internal audit function) together with management's response and follow-up to any such reports.

13. The Committee shall review and approve the charter of the Corporation's internal audit function, review the competence and performance of internal audit personnel, and review and approve revisions to the organizational structure of the internal audit function and its resources.

14. The Committee shall set clear policies with respect to the hiring by the Corporation of employees or former employees of the Corporation's independent registered public accounting firm.

15. The Committee shall review and discuss, including with management and the Corporation's independent registered public accounting firm: (i) major issues regarding (a) accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of such accounting principles and (b) the adequacy of the Corporation's internal controls, including the responsibilities, budget, compensation and staffing of the Corporation's internal audit function, and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the Corporation's independent registered public accounting firm setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements; and (iv) the type and presentation of information to be included in earnings

press releases (paying particular attention to any use of “pro forma” or “adjusted non-GAAP information”).

16. To the extent required by the SEC, the Committee shall prepare, or cause to be prepared, the disclosure required by Item 407(d)(3)(i) of Regulation S-K, to be included in the Corporation’s annual proxy statement.

17. The Committee shall establish, review and reassess periodically procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Corporation and its subsidiaries of concerns regarding questionable accounting or auditing matters.

18. The Committee shall review with the full Board any issues that arise with respect to (i) the quality or integrity of the Corporation’s financial statements, (ii) the Corporation’s compliance with legal or regulatory requirements, (iii) the performance and independence of the Corporation’s independent auditors or (iv) the performance of the internal audit function.

19. The Committee shall meet separately and periodically with management, the Corporation’s internal auditors (or other personnel responsible for the internal audit function) and the Corporation’s independent registered public accounting firm.

20. The Committee shall review for approval or ratification all related-party transactions (as defined in Item 404 of Regulation S-K) that are brought to the Committee’s attention. A “related person transaction” is any transaction or series of transactions in which: (i) the Corporation or any of its subsidiaries is deemed to be a participant; (ii) the amount involved exceeds \$120,000; and (iii) a “related person” (as defined under SEC rules) has a direct or indirect material interest. Details of each related person transaction will be brought to the attention of the Committee as promptly as practicable. A related person transaction entered into without the pre-approval of the Committee shall not be deemed to violate any outstanding policy or procedure of the Corporation, or be invalid or unenforceable, so long as the transaction is brought to the Committee as promptly as reasonably practicable after it is entered into or after it becomes reasonably apparent that the transaction is covered by this charter.

21. The Committee shall oversee the implementation and enforcement of the Corporation’s Code of Business Conduct and Ethics.

B. Other Rights and Responsibilities

1. To the extent permitted under applicable laws, regulations and NYSE rules, the Committee may form and delegate authority to sub-committees or to any other independent director or committee comprised entirely of independent directors, in each case, to the extent the Committee deems necessary or appropriate. The Committee may consult with or obtain input from management, but, except as expressly provided herein, shall not delegate any of its responsibilities to management.

2. Other than as prohibited by NYSE rules and regulations, the Committee may designate any member of the Committee to execute documents on its behalf as the Committee deems necessary or appropriate to carry out its responsibilities hereunder.

3. The Committee shall have the authority to engage independent counsel, accountants, consultants and other advisers, as the Committee determines necessary or appropriate to carry out its duties and responsibilities. The Committee shall have the sole authority to approve all fees and terms of engagement of such advisers. The Committee shall have the power to conduct or authorize investigations into any matter within the Committee's scope of responsibilities.

4. The Committee shall consider questions of possible conflicts of interest between Board members or management and the Corporation and its subsidiaries and monitor all other activities of Board members or management that could interfere with such individuals' duties to the Corporation.

C. Annual Performance Evaluation; Charter Review

The Committee shall conduct an annual self-assessment of its performance. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend any proposed changes to the Board. The Committee shall conduct such reviews in such manner as it deems appropriate. This Charter is in all respects subject and subordinate to the Corporation's charter, bylaws and applicable law.

V. General

The Committee may diverge from the specific responsibilities and duties outlined throughout this Charter, as appropriate, if circumstances or regulatory requirements change. In addition to such responsibilities and duties, the Committee may perform such other functions as necessary or appropriate under applicable laws, regulations, NYSE rules, the Corporation's charter, bylaws and the resolutions and other directives of the Board, each as in effect from time to time. This Charter may be amended from time to time by the Board. This Charter shall be made available on the Corporation's website at www.smartandfinal.com and to any stockholder who otherwise requests a copy.