

Audit/Finance Committee Charter

Purposes

The purposes of the Audit/Finance Committee (the “Committee”) are to assist the full Board of Directors (the “Board”) of Albertson’s, Inc. (the “Company”) in fulfilling its oversight responsibilities with respect to:

1. the systems of internal controls which management and the Board have established;
2. the integrity of the Company’s financial statements;
3. the Company’s compliance with legal and regulatory requirements;
4. the Company’s policies related to risk assessment and risk management;
5. the independent auditors’ qualifications and independence; and
6. the performance of the independent auditor’s and the Company’s internal audit function.

The Committee shall also review the Company’s financial strategy and policy, investment policy, capital structure and capital expenditures in view of strategic current and long range plans. Further, the Committee is responsible for preparing the Committee’s report made pursuant to the Securities and Exchange Act of 1934, to be included in the Company’s annual proxy statement.

Composition

Size. The Committee shall consist of three or more directors.

Qualifications. Each Committee member shall have all of the following qualifications:

1. Each Committee member must meet the independence criteria of (a) the rules of the New York Stock Exchange, as such requirements are interpreted by the Board in its business judgment, and (b) Section 301 of the Sarbanes-Oxley Act of 2002 and all rules promulgated thereunder by the Securities and Exchange Commission.
2. Each Committee member shall be financially literate or shall become financially literate within a reasonable time after his or her appointment to the Committee. Additionally, at least one Committee member shall have accounting or related financial management expertise and that member or another Committee member shall have sufficient education and experience to have acquired the attributes necessary to meet the criteria of an audit committee financial expert as defined in Item 401(h) of SEC Regulation S-K.

The Board determines, in its business judgment, whether each Committee member is financially literate and whether at least one member has the requisite accounting or financial management expertise and whether that member or another Committee member has sufficient education and experience to meet the audit committee financial expert criteria. The designation or identification of a person as an audit committee financial expert shall not (a) impose on such person any duties, obligations or liability greater than the duties, obligations or liability imposed on such person as a Board member and Committee member in the absence of such designation or identification or (b) affect the duties, obligations or liability of any other Board member or Committee member.

3. No Committee member shall be a current employee of the Company, nor shall any Committee member have been employed by the Company within the three years immediately preceding such member's appointment to the Committee. A director who maintains a business relationship with the Company may serve on the Committee if the entire Board expressly determines, in its business judgment, that such business relationship does not interfere with such director's exercise of independent judgment.
4. From and after the date of the Company's 2004 Annual Meeting of Shareholders, no Committee member shall simultaneously serve on the audit committee of more than three public companies (including the Company) unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. The Company shall disclose any such determination in its proxy statement relating to the Company's annual meeting of stockholders.

Appointment and Removal. The Board selects Committee members based on recommendations of the Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee recommends to the full Board a Committee Chair from among the Committee's members and the Board will approve the appointment of such Committee Chair. The Committee Chair shall be responsible for the leadership of the Committee, including preparing agendas, scheduling meetings, presiding over meetings, making Committee assignments and reporting the Committee's actions and recommendations to the full Board. The Committee Chair will also maintain regular liaison with the Chief Executive Officer of the Company, the Chief Financial Officer of the Company, the Vice President of Internal Controls of the Company and the lead audit partner of the Company's independent auditors. Each Committee member shall serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

Powers and Duties

The powers and duties of the Committee shall include the following:

1. Assisting the full Board in fulfilling its fiduciary responsibilities regarding the Company's accounting policies, financial reporting practices and audit process.
2. Serving as a liaison for communication regarding the Company's financial accounting, reporting and controls between the full Board and each of the following: the Company's independent auditor, the Company's internal audit department (which has responsibility for auditing and reviewing the Company's internal controls) and the Company's management.
3. Recommending annually to the full Board a firm of independent certified public accountants to act as the independent auditor of the Company. In so doing, the Committee will review the independent auditor's formal written statement describing all relationships between the independent auditor and the Company, actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or non-audit services that may affect the objectivity and independence of the independent auditor and recommend that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the independence of the auditor. In connection with the Committee's evaluation of the auditor's independence, the Committee shall also review and evaluate the lead audit partner of the independent auditor and take such steps as may be required by law with respect to the regular rotation of the lead audit partner and the concurring audit partner of the independent auditor.
4. Overseeing the independent auditor relationship by discussing with the auditor the nature and thoroughness of the audit process, receiving and reviewing audit reports and providing the auditor full access to the Committee (and the full Board) to report on any and all appropriate matters.
5. Instructing the Company's independent auditor that the auditor is ultimately accountable to the Committee, the Board and the stockholders of the Company, and that the Committee and the Board are responsible for the selection, appointment, evaluation, compensation and termination of the Corporation's independent auditor. No Committee member shall fraudulently influence, coerce, manipulate or mislead an independent auditor for the purpose of rendering the applicable financial statements misleading.
6. Providing guidance and oversight to the internal audit department of the Company, including reviewing the department's charter (if any), organization, plans (including its annual plan) and results of activities.
7. Reviewing the audited financial statements and discussing them with management and the independent auditor. This review shall include (a) consideration and discussion of the quality of the Company's accounting principles as applied in its financial reporting, including a discussion of estimates, reserves and accruals,

- judgmental areas and audit adjustments (whether or not recorded), (b) consideration and discussion of the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," (c) consideration and discussion of the disclosures regarding internal controls, including those required by Section 404 of the Sarbanes-Oxley Act of 2002 and all rules promulgated thereunder, and other matters required to be reported to the Committee by Section 302 of the Sarbanes-Oxley Act of 2002 and all rules promulgated thereunder and (d) such other inquiries as the Committee may deem appropriate. Based on this review, the Committee shall make its recommendation to the full Board as to the inclusion of the Company's audited financial statements in the Company's annual report on Form 10-K and the Company's Annual Report to Stockholders.
8. Discussing with management and the independent auditor the quarterly financial information prior to the Company's quarterly earnings release.
 9. Reviewing and evaluating any significant related party transactions (such as loans, sales or purchases, leases, stock purchases and ownership interests in partially-owned subsidiaries) between the Company and any officer, director or principal stockholder of the Company and recommending to the full Board or to senior management whether the transaction should be entered into, continued, completed or terminated.
 10. Reviewing the content and status of the independent auditor's audit plan.
 11. Inquiring of management, the internal audit department and the independent auditor regarding significant risks or exposures and assessing the steps management has taken to minimize such risks to the Company.
 12. Reviewing with the internal audit department and the independent auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and effective use of audit resources.
 13. Reviewing corporate financial plans relating to debt limits, dividend policy, capital structure and capital expenditures in light of strategic plans and forecasts.
 14. Reviewing the financial plans of the Company with respect to taxes, loss reserves and other related matters.
 15. Establishing procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matter and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters as required by Section 301 of the Sarbanes-Oxley Act of 2002. The Committee shall discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any complaints or concerns regarding the Company's financial statements or accounting policies.

16. Discussing with management the status of pending litigation, taxation matters and other issues of legal and ethical compliance as may be appropriate.
17. Formulating and maintaining a system which provides the Committee with a mechanism for annually reviewing and discussing employee expense accounts and the proprietary of such expenses with the Company's independent auditors.
18. Issuing annually a report to be included in the proxy statement (including appropriate oversight conclusions) for submission to the stockholders.
19. Retaining outside legal counsel and/or other independent advisors, when necessary, to assist the Committee in fulfilling its duties described in this Charter.
20. Obtaining, reviewing and discussing, at least annually, a report by the Company's independent auditors describing (a) the audit firm's internal quality control procedures, (b) 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 (c) any steps taken to deal with any such issues.
21. Reviewing enforcement of the Committee's policy against the employment of any person as the Company's Chief Executive Officer, Chief Financial Officer or Chief Accounting Officer (or in an equivalent position) if (a) such person is or was within the two years prior to becoming employed by the Company an employee or partner of an independent auditor that audited the Company's financial statements during such two-year period and he or she participated in any capacity in such audits or (b) the hiring of such person would otherwise violate the restrictions set forth in or established pursuant to Section 206 of the Sarbanes-Oxley Act of 2002.
22. Generally reviewing and discussing earnings and other financial press releases as well as financial information and earnings guidance provided to analysts and rating agencies (which review may be done generally, being limited to a review and discussion of the types of information to be disclosed and the form of presentation to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
23. Meeting at least four times each year, keeping minutes and any other appropriate records of all of its proceedings and reporting Committee actions to the full Board.
24. Considering any and all issues that fall within the scope of this Charter, regardless of the source of such issues.
25. Performing such other duties as are delegated by the full Board.

Meetings

The Committee shall meet in person or telephonically at least quarterly, or more frequently as it may determine necessary, to comply with its responsibilities as set forth herein. The Committee Chair shall be responsible for the leadership of the Committee, including scheduling meetings, preparing agendas, presiding over meetings and reporting the Committee's actions and recommendations to the full Board. Any Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. A majority of the number of Committee members shall constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Company's Certificate of Incorporation, its Bylaws or this Charter.

The Committee may request any officer or employee of the Company or the Company's outside legal counsel or independent auditors to attend a meeting of the Committee or to meet with any member, consultant or retained expert of the Committee. The Committee shall meet with the Company's management, the staff responsible for the internal audit function and the independent auditors periodically in separate private sessions to discuss any matter that the Committee believes should be discussed privately.

Resources and Authority

The Committee shall have the resources and authority appropriate, in the Committee's discretion, to discharge its responsibilities and carry out its duties as required by law, including access to all books, records, facilities and personnel of the Company and the authority to engage outside auditors for special audits, reviews and other procedures and to engage independent counsel and other advisors, experts or consultants. In addition, by adoption of this Charter, the Board authorizes funding for the Committee as appropriate, in the Committee's discretion, for the discharge of the Committee's functions and responsibilities. The Committee may also, to the extent it deems necessary or appropriate, meet with the Company's investment bankers or financial analysts who follow the Company.

Annual Review of Charter

Annually, the Committee shall conduct a review and reassessment of the adequacy of this Charter as required by the rules of the New York Stock Exchange and for the giving of the affirmation required by such rules and recommend any changes to the Board. The Committee shall conduct this charter review and reassessment in such manner as the Committee, in its business judgment, deems appropriate.

Annual Performance Evaluation

The Committee will participate (in connection with the Nominating/Corporate Governance Committee's annual review of Board and Committee performance) in an annual review and evaluation of the Committee's performance with respect to the requirements of this Charter. The Committee shall conduct this review and evaluation in such manner as the Committee, in its business judgment, deems appropriate.

Availability of This Charter

This Charter will be included on the Company's website and will be made available in print to any stockholder of the Company who submits a request to the Secretary for a copy of this Charter. The Company's annual report to stockholders will state that this Charter is available on the Company's website and will be available in print to any stockholder of the Company who submits to the Secretary a request for a copy of this Charter.