



**CORPORATE GOVERNANCE COMMITTEE
BOARD OF DIRECTORS OF SMART & FINAL INC.**

CHARTER

A. Purposes

The purposes of the Corporate Governance Committee of the Board of Directors (the “Board”) of Smart & Final Inc. (the “Company”) shall include identifying and recommending to the Board qualified potential director nominees for election at each of the Company’s Annual Shareholders’ Meetings, recommending to the Board which directors should serve as members and chair of the committees of the Board, recommending to the Board the compensation for members and chair of such committees, and developing and recommending to the Board the Company’s corporate governance principles.

B. Membership

The Corporate Governance Committee shall consist of not less than three members, including one member who satisfies the requirements of the New York Stock Exchange (“NYSE”) regarding independence.

The Board will appoint the members of the Corporate Governance Committee, and will select the chair, annually at its organizational meeting . During their annual term, members of the Corporate Governance Committee may be removed by the affirmative vote of a majority of the Board.

C. Responsibilities

The Corporate Governance Committee believes the policies and procedures by which it carries out its responsibilities should be flexible, to best react to changing conditions and to be in the best position to ensure to the Board and shareholders of the Company that the Company’s corporate governance principles, procedures and practices continue to assist the Board and the Company’s management to effectively and efficiently promote the interests of the Company’s shareholders. The Corporate Governance Committee may not delegate any of its responsibilities to management, but may delegate any of its responsibilities to subcommittees consisting solely of two or more members of the Corporate Governance Committee.

In carrying out its responsibilities, the Corporate Governance Committee will:

Board Candidates and Nominees

1. Establish and communicate to shareholders a method for shareholders to recommend potential director nominees for the Corporate Governance Committee’s consideration.

2. Develop reasonable criteria for selection of director nominees.
3. Conduct appropriate inquiries into the backgrounds and qualifications of potential director nominees.
4. Identify and recommend to the Board qualified potential director nominees who bring knowledge, experience and expertise that would strengthen the Board, as determined advisable by the Corporate Governance Committee.

Board and Committees

1. Plan for continuity on the Board as directors are scheduled to retire from the Board.
2. Review and recommend to the Board an appropriate course of action with respect to or upon the resignation, retirement or removal of any director, including whether a new director should be appointed by the Board prior to the Company's next Annual Shareholders' Meeting.
3. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, review and recommend to the Board changes to the size of the Board and its committees.
4. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, review and recommend to the Board changes to policy matters pertaining to the roles, responsibilities, retirement age, term limits and removal of directors.
5. Oversee management's establishment of and, from time to time as the Corporate Governance Committee determines it to be necessary or appropriate, review the effectiveness of the Company's new director orientation program and continuing director education program.
6. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, review all Board committees and their charters and, as necessary, recommend to the Board changes in the committee charters or the responsibilities or number of committees.
7. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, recommend that the Board establish a new or special committee of the Board that may be necessary to properly address ethical, legal or other matters that may arise.
8. On an annual basis, determine and propose to the Board which directors should serve as members and chairmen of the Board committees.

In making its determinations, the Corporate Governance Committee should consider:(a) balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints that may result from the rotation of committee members and chairmen; (b) subject matter expertise; (c) applicable legal or other requirements; (d) tenure; (e) the desires of individual members of the Board; (f) as applicable, the independence standards applicable to the members of such committees; and (g) such criteria, factors and circumstances as it determines to be appropriate.

9. On an annual basis, review the compensation attributable to service as a member of the Board, or as a member or chair of its committees, and recommend to the Board the compensation payable for the following year. As necessary, review any special compensation which might be paid to a member of the Board for extraordinary service to the Board or one of its committees, and recommend to the Board such compensation.
10. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, review the qualifications and performance of any members of the Board and of Management. As incumbent directors are eligible for re-election under the terms of their prior election, consider whether to recommend such incumbent director for re-election. As appropriate, recommend to the Board the retention and/or removal of members of Management.
11. On an annual basis, conduct an assessment of the Board's performance during the previous year. The purpose of this assessment is to increase the effectiveness of the Board and its members. In conducting such assessments, the Corporate Governance Committee shall consider such criteria, factors and circumstances as they determine to be appropriate.
12. On an annual basis, conduct a self-assessment of its performance during the previous year. The purpose of this assessment is to increase the effectiveness of the Corporate Governance Committee and its members. Compliance with the responsibilities listed in this Charter shall form the principal criteria for such assessments, as well as such other factors and circumstances as are determined appropriate by the Corporate Governance Committee or the Board.

Governance Principles

1. Develop and recommend to the Board a set of corporate governance principles that complies with NYSE standards and Securities and Exchange Commission ("SEC") rules. Such corporate governance principles shall address at least the following subjects: (a) director qualification standards; (b) director responsibilities; (c) director access to management and, as necessary and appropriate, independent advisors; (d) director compensation; (e) director orientation and continuing education; (e) management succession; and (f) annual performance evaluation of the Board.
2. At least annually, review such corporate governance principles, procedures and practices and take such actions as the Corporate Governance Committee deems necessary or appropriate.
3. Review and make recommendations to the Board regarding shareholders' proposals that relate to corporate governance.

Code of Conduct and Ethics

1. Develop and recommend to the Board a Code of Conduct and Ethics (the “Code of Conduct”) that complies with NYSE standards and SEC rules. Such Code of Conduct shall address at least the following subjects: (a) conflicts of interest; (b) corporate opportunities; (c) confidentiality; (d) fair dealing; (e) protection and proper use of company assets; (f) compliance with laws, rules and regulations (including insider trading laws); (g) encouraging the reporting of any illegal or unethical behavior; and (h) such issues related to the Company’s senior financial officers as required by SEC rules.
2. At least annually, review the Code of Conduct and take such actions as the Corporate Governance Committee deems necessary or appropriate.

General

1. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, select and retain independent counsel or other advisors, including a search firm to help identify new potential director nominees, to provide independent advice to the Corporate Governance Committee. The Corporate Governance Committee shall have the sole authority to retain (on terms established solely by the Corporate Governance Committee), terminate and approve the fees of any such counsel and advisors. The Corporate Governance Committee may meet with any such counsel or advisors without management present. The Company will bear the cost of such counsel and advisors.
2. Meet at least once annually and otherwise as the members of the Corporate Governance Committee deem appropriate.
3. Consider and approve or disapprove all transactions involving the Company and any director, executive officer, senior financial officer or any related party and other questions of actual and potential conflicts of interest or appearances of impropriety of or involving the Company’s directors, executive officers or senior financial officers or any related party as they may arise and, when determined necessary or appropriate, issue to a director, executive officer or senior financial officer instructions on how to conduct himself/herself in such matters so as to ensure that the best interests of the Company are protected.

In considering such matters, the Corporate Governance Committee should consider, among other factors or circumstances, whether or not the relationship or transaction is on terms and conditions not materially less favorable to the Company than could be obtained from an independent third party (including obtaining independent support for such conclusion); the reasons for and the benefits obtainable by the Company from such relationship or transaction; the impact of such relationship or transaction on the director's or officer's ability to continue to serve the best interests of the Company; and anticipated shareholder reaction to such relationship or transaction. The Corporate Governance Committee shall ensure that all approved related party transactions or other actual and potential conflicts of interest or appearances of impropriety, to the extent determined material, are properly disclosed to the Company's shareholders in accordance with applicable requirements.

4. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, consult with the Company's general counsel and outside legal counsel, if determined necessary or appropriate, with respect to the terms and conditions of the Company's Articles of Incorporation and Bylaws as they relate to corporate governance matters and take such actions as the Corporate Governance Committee deems necessary or appropriate, subject to Board and shareholder approval, if applicable, in accordance with the Company's Bylaws and applicable law.
5. Promptly make available the minutes of all meetings of the Corporate Governance Committee to the Board and report the Corporate Governance Committee's activities to the Board at the Board's meeting next following each Corporate Governance Committee meeting so that the Board is kept fully informed of the Corporate Governance Committee's activities on a current basis.
6. From time to time as the Corporate Governance Committee determines it to be necessary or appropriate, conduct such reviews, investigations and surveys and take such action as the Corporate Governance Committee may consider necessary or appropriate in the exercise of its duties and responsibilities.