

SUPERVALU INC.
CHARTER OF THE
AUDIT COMMITTEE
(Revised July 19, 2016)

I. Composition of the Audit Committee:

The Audit Committee of SUPERVALU INC. (the “Company”) is a standing committee of the Board of Directors (the “Board”). The Audit Committee shall be comprised of at least three directors, each of whom shall meet the independence requirements of the New York Stock Exchange (the “NYSE”), and the applicable rules and regulations of the Securities and Exchange Commission (the “SEC”), as determined by the Board. Each member of the Audit Committee shall be financially literate, as determined by the Board. At least one member of the Audit Committee shall be a financial expert as determined by the Board in accordance with the rules of the SEC.

The Audit Committee members and the Chairperson of the Audit Committee shall be appointed by the Board on recommendation of the Corporate Governance and Nominating Committee. If an Audit Committee Chairperson is not designated or present for a specific meeting, the members of the Audit Committee may designate a Chairperson by majority vote.

No director may serve as a member of the Audit Committee if such director serves on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee.

II. Purposes of the Audit Committee:

The purposes of the Audit Committee are to assist Board oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s internal control over financial reporting, (iii) the Company’s compliance with legal and regulatory requirements, (iv) the qualifications and independence of the independent registered public accounting firm engaged as the Company’s independent external auditor, and (v) the performance of the Company’s internal auditors and independent external auditors.

The function of the Audit Committee is oversight. It is not the duty or responsibility of the Audit Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures, and each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information, (ii) the accuracy of the financial, internal control and other information provided to the Audit Committee by such persons or organizations, absent actual knowledge to the contrary (which shall be promptly reported to the Board), (iii) representations made by management as to any non-audit services provided by the independent external auditors to the Company, (iv) representations made by management as to compliance with legal and regulatory requirements, and (v) representations from internal audit regarding the adequacy and effectiveness of the Company’s internal control.

III. Meetings of the Audit Committee:

The Audit Committee shall meet once every fiscal quarter, or more frequently if circumstances dictate. The Audit Committee should meet separately at least once a quarter with the independent external auditors and the senior internal audit executive, and periodically with each of management, including the Chief Legal Officer, to discuss any matters that the Audit Committee or any of these persons or firms believes should be discussed privately.

The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent external auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. Members of the Audit Committee may participate in a meeting of the Audit Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

IV. Duties and Powers of the Audit Committee:

To carry out its purposes, the Audit Committee shall have the following duties and powers:

1. **with respect to the independent external auditors:**
 - (i) to appoint and retain (subject to stockholder ratification, if such ratification is required or sought), compensate, evaluate and terminate the independent external auditors, which will report directly to the Audit Committee;
 - (ii) to pre-approve all audit services, engagement fees and terms, and all engagements for permitted non-audit services; provided, however, that the Chairperson of the Audit Committee may grant such pre-approvals if all such pre-approvals are then presented to the full Audit Committee at its next scheduled meeting;
 - (iii) to obtain and review, at least annually, a report by the independent external 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 audits carried out by the firm, and any steps taken to deal with any such issues, and (c) all relationships between the independent external auditors and the Company, or individuals in financial reporting oversight or accounting roles at the Company (as those terms are defined in the SEC rules), that may reasonably be thought to bear on the independent external auditors' independence and discuss with the independent external auditors the potential effects of any such relationships on independence;
 - (iv) to review and evaluate the qualifications, performance and independence of the independent external auditors, including its lead partner, on an ongoing basis, but no less frequently than once per year; and
 - (v) to review with the independent external auditor any audit problems or difficulties and management's response, and resolve any disagreements between management

and the independent external auditors concerning financial reporting, internal controls, and any other significant disagreements; and

2. with respect to the internal auditors:

- (i) to review the appointment and replacement of the senior internal audit executive; the senior internal audit executive, together with the internal audit function, shall report functionally to the Audit Committee and administratively to the Chief Financial Officer;
- (ii) to annually review and discuss the performance and effectiveness of the senior internal audit executive and the internal audit function;
- (iii) to review the scope of the annual audit plan and the responsibilities, activities, staffing and organizational structure of the internal auditors, and the results of the internal auditor's activities; and
- (iv) to at least annually review with the senior internal audit executive, any internal audit problems or difficulties and management's response, and resolve any disagreements between management and the internal auditors concerning financial reporting, the financial statements or internal control over financial reporting, and any other significant disagreements; and

3. with respect to financial reporting principles and policies and internal controls and procedures,

- (i) to have a clear understanding with management, the internal auditors and the independent external auditors that they are expected to provide to the Audit Committee a timely analysis of any significant financial reporting or internal control over financial reporting issues and practices that may arise;
- (ii) to review and discuss with the independent external auditors the matters required to be discussed by the independent external auditors under Auditing Standard No. 16, as adopted by the Public Company Accounting Oversight Board and amended from time to time;
- (iii) to meet separately with management, the independent external auditors, and the senior internal audit executive:
 - to review and discuss the annual audited financial statements and the quarterly unaudited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the independent external auditors' opinions and reports related to the Company's financial statements and internal control over financial reporting;
 - to discuss all instances of fraud, whether or not material, that involve management or other employees who have a significant role in the Company's financial statements or internal control over financial reporting, and management's responses thereto, and all other instances of material fraud;

- to receive reports regarding, and review and discuss, the adequacy and effectiveness of the Company's internal controls and any specified audit procedures taken in light of any material weakness or significant deficiencies identified by the Company or its independent external auditors; and
 - to review, as appropriate: (a) analyses prepared by management and/or the independent external auditors 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; and (b) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
- (iv) to receive periodic reports from management regarding the adequacy and effectiveness of the Company's disclosure controls and procedures;
 - (v) to obtain from the independent external auditors assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended and the rules and regulations thereunder;
 - (vi) to discuss with the Company's Chief Legal Officer (or his/her representative) any significant legal matters that may have a material effect on the financial statements or the Company's compliance policies, including material notices to or inquiries received from governmental agencies;
 - (vii) to discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
 - (viii) to establish policies related to hiring employees or former employees of the independent external auditors;
 - (ix) to discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, and to discuss the Company's major financial risk exposures and the steps management has taken to assess and manage such exposures; and
 - (x) to establish procedures for (a) the receipt, retention and treatment of complaints received by the Company with respect to financial reporting, accounting, internal accounting controls or auditing and federal securities law matters, and (b) the confidential, anonymous submissions by employees of the Company of concerns relating to financial reporting, accounting, internal accounting controls or auditing and federal securities law matters; and

4. with respect to reporting, recommendations and other matters:

- (i) to recommend to the Board the inclusion of the Company's financial statements in the annual report on Form 10-K and to oversee the preparation of the report required by the rules of the SEC to be included in the Company's annual proxy statement;
- (ii) to review this Charter at least annually and recommend any changes to the full Board;

- (iii) to oversee the Company's compliance program with respect to legal and regulatory requirements, including establishing, reviewing and approving, and, when appropriate, reporting to the full Board as to compliance with the Company's codes of conduct, and, at least annually, meet to review the implementation and effectiveness of the Company's compliance program with the Chief Compliance Officer, who shall have the authority to communicate directly to the Audit Committee, promptly, about actual and alleged violations of law or the Company's codes of conduct, including any matters involving criminal or potential criminal conduct;
- (iv) to establish and periodically review policies and procedures for the review and approval of related person transactions, as defined in applicable SEC rules and accounting principles;
- (v) to evaluate the Audit Committee's performance on an annual basis;
- (vi) to receive and review, and when appropriate report to the full Board, the CEO's and senior managements' expense and travel reports; and
- (vii) to report its activities to the full Board on a regular basis specifically addressing any issues that arise with respect to the quality or integrity of the Company's financial statements and internal control over financial reporting, its compliance with legal or regulatory requirements, the performance and independence of the independent external auditors, or the performance of the internal auditors and to make such recommendations to the Board as the Audit Committee may deem necessary or appropriate.

V. Authority and Resources of the Audit Committee:

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to engage independent external auditors for special audits, reviews and other procedures and to retain special counsel and other experts or consultants to advise the Audit Committee. The Audit Committee will receive appropriate funding, as determined by the Audit Committee, from the Company for payment of compensation to such parties and for the payment of ordinary administrative expenses that are necessary or appropriate in carrying out the Audit Committee's duties.