

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF BOB EVANS FARMS, INC.  
(Approved by Board of Directors May 11, 2004)**

This Charter (this “Charter”) identifies the purpose, authority, composition, meetings and responsibilities of the Audit Committee (the “Audit Committee”) of the Board of Directors (the “Board”) of Bob Evans Farms, Inc. (“Bob Evans”).

**PURPOSE**

The purpose of the Audit Committee is to:

- Oversee the accounting and financial reporting processes of Bob Evans and its subsidiaries (collectively, the “Company”) and audits of the Company’s financial statements;
- Oversee the Company’s internal audit function;
- Be directly responsible for the appointment, compensation and oversight of the Company’s independent auditors;
- Prepare the audit committee report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in Bob Evans’ annual proxy statement; and
- Perform such other duties for the Company as may be requested by the Board from time to time.

**AUTHORITY**

The Audit Committee has authority to:

- Directly appoint, retain, agree to compensate, evaluate and, where appropriate, terminate the Company’s independent auditors. The independent auditors will report directly to the Audit Committee.
- Oversee the work of the independent auditors, including the resolution of disagreements between management and the independent auditors.
- Pre-approve the audit engagement, including fees and terms, and all other audit or permitted non-audit services performed by the Company’s independent auditors to the extent required and in a manner consistent with applicable law.
- Retain independent legal, accounting and other advisors to the extent the Audit Committee deems it necessary or appropriate to assist the Audit Committee in carrying out its duties. Bob Evans shall provide for appropriate funding, as determined solely by the Audit Committee, for payment of compensation to the independent auditors engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Company, compensation to any other advisors employed by the Audit Committee and ordinary administrative expenses of the Audit Committee that the Audit Committee determines are necessary or appropriate in carrying out its duties.
- Conduct or authorize investigations into any matters within the scope of the Audit Committee’s responsibilities.

- Seek any information the Audit Committee requires from employees of the Company (all of whom are directed to cooperate with the Audit Committee's requests) or external parties.
- Meet with the Company's officers, independent auditors or outside counsel, as necessary.

The Audit Committee may delegate to its Chairperson such power and authority as the Audit Committee deems to be appropriate, except such power and authority required by law to be exercised by the whole Audit Committee or by a subcommittee, which the Audit Committee has the authority to form and delegate to, consisting of one or more Audit Committee members, when appropriate. Such delegated power and authority may include the authority to pre-approve all audit and permitted non-audit services, and the decisions made pursuant to such delegated power and authority shall be reported to the Audit Committee at its next scheduled meeting.

### **COMPOSITION**

The Audit Committee shall serve at the pleasure of the Board. The Audit Committee shall consist of at least three members of the Board, each of whom shall be appointed by the Board. Each member of the Audit Committee shall be free of any relationship that, in the opinion of the Board, may interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director of the Company. Additionally, all Audit Committee members must satisfy the independence requirements prescribed by applicable rules of the Nasdaq Stock Market ("Nasdaq") as well as Section 10A of the Securities Exchange Act of 1934 and the rules promulgated by the SEC thereunder.

All members of the Audit Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Any member of the Audit Committee who qualifies as an "audit committee financial expert" as defined in the applicable rules or criteria established by the SEC, and as determined by the Board, shall be deemed to meet this financial sophistication requirement.

No member of the Audit Committee may have participated in the preparation of the financial statements of the Company at any time during the past three years.

### **MEETINGS**

The Audit Committee shall meet at least four times annually and may convene more frequently as circumstances dictate. The Audit Committee shall be chaired by one of its members appointed by the Board. If the Board does not appoint a Chairperson or if the Chairperson is not present at a meeting, the members of the Audit Committee may designate a Chairperson by majority vote of the full Audit Committee membership, or those members present, as the case may be. All Audit Committee members are expected to attend each meeting, in person or via teleconference or other means of electronic communications permitted under applicable law and the Company's By-laws.

The Audit Committee shall maintain written minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board. The Audit Committee may act by a majority of its members at a meeting or without a meeting if all members of the Audit Committee consent to the action in writing or by other means of electronic transmission permitted under applicable law and the Company's By-laws. The Chairperson of the Audit Committee shall provide the Board with a report of the Audit Committee's activities and proceedings at each regularly scheduled meeting of the Board.

The Audit Committee shall meet periodically with management, the internal auditors and the independent auditors in separate executive sessions to discuss any matters that the Audit Committee or one of these groups believes should be discussed privately.

The Audit Committee may have in attendance at its meetings such members of management, the internal auditors and the independent auditors or others as the Audit Committee may deem necessary or desirable to provide the information the Audit Committee needs to carry out its duties and responsibilities.

## **RESPONSIBILITIES**

The Audit Committee shall have the authority to undertake the specific responsibilities outlined in this Charter and to undertake such other responsibilities as the Board may prescribe from time to time. The Audit Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

### **A. Financial Reporting / Internal Control Over Financial Reporting**

The following are the principal responsibilities of the Audit Committee with respect to the oversight of financial reporting and internal control over financial reporting:

1. Reviewing and discussing with management, the internal auditors and the independent auditors annually, before each audit begins, the overall scope of their respective annual audit plans, including adequacy of staffing, professional services to be provided, the audit procedures to be used and fees to be charged by the independent auditors.
2. Reviewing and discussing with management and the independent auditors major issues regarding accounting principles and financial statement presentation, including: (a) any significant changes in the Company's selection or application of accounting principles and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements; (c) the development, selection and disclosure of critical accounting estimates and policies and practices and the use thereof; and (d) analyses of the effect of alternative GAAP methods on the Company's financial statements, including the ramifications of the use of alternative disclosures and treatments and the treatment preferred by the independent auditors.
3. Reviewing and discussing with management and the independent auditors the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures and aggregate contractual obligations, on the Company's financial statements, and any related disclosures. Discussing with the independent auditors any matters required to be communicated to the Audit Committee by the independent auditors under generally accepted auditing standards, including those matters set forth in Statement on Auditing Standards ("SAS") No. 61, *Communication with Audit Committees*, as such statement may be modified or supplemented.
4. Reviewing and discussing with the internal auditors and the independent auditors their respective reports and the results of their respective audits. Ensuring that the independent auditors share with the Audit Committee all material written communications between the independent auditors and management, including reviewing any "management letter," "internal control" letter or "schedule of unadjusted differences" issued, or proposed to be issued, by the independent auditors.
5. Reviewing and discussing with management and the independent auditors the Company's annual audited financial statements and the disclosures to be made under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to the filing of each Annual Report on Form 10-K, including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements. The Audit Committee shall recommend to the Board whether the Company's audited financial statements should be included in the Annual Report on Form 10-K.

6. Discussing with the independent auditors, the internal auditors, management and the Company's financial and accounting personnel their assessments of the adequacy and effectiveness of the Company's systems of disclosure controls and procedures and internal control over financial reporting and related accounting and financial controls and any special audit steps adopted in light of material control deficiencies.
7. Reviewing disclosures made by Bob Evans' principal executive officer and principal financial officer during the certification process for each Quarterly Report on Form 10-Q and Annual Report on Form 10-K, about (a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, (b) any fraud that involves management or other employees who have a significant role in the Company's internal controls and (c) any significant changes in the Company's internal control over financial reporting which occurred during the last fiscal quarter.
8. Generally discussing with management and, where appropriate, the independent auditors, the types and presentation of financial information to be disclosed in Bob Evans' earnings releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information and reconciliations of the same) as well as reviewing any financial information or earnings guidance provided to analysts and/or rating agencies. The Audit Committee does not need to discuss each earnings release in advance.
9. Discussing with the independent auditors and the internal auditors any problems or difficulties they encountered in the course of their audit work, including any restrictions on the scope of their activities or access to requested information, and any significant disagreements with management.
10. Reviewing the Company's compliance with pronouncements of the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC, Nasdaq or other similar bodies or agencies that could have an impact on the Company's financial statements.

**B. Oversight of the Company's Relationship with the Independent Auditors**

The following are the principal responsibilities of the Audit Committee with respect to oversight of the Company's relationship with the independent auditors:

1. Monitoring and evaluating the independence, qualifications and performance of the independent auditors, and their appointment, by, among other things: at least annually, obtaining and reviewing a written report from the independent auditors regarding (a) the independent auditors' internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, 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 independent auditors; (c) any steps taken to deal with any such issues; and (d) all relationships between the independent auditors and the Company, including the written disclosures and letter required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as that standard may be modified or supplemented. Actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditors.
2. At least annually, reviewing the experience, rotation and qualifications of the senior members of the independent auditors' team under applicable laws, rules and regulations.
3. Setting clear policies, in compliance with applicable laws, rules and regulations, for the Company's hiring of present or former employees of the independent auditors.
4. Reviewing and pre-approving all audit services and permitted non-audit services to be performed for the Company or any of its subsidiaries by the independent auditors or any other auditing or accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review

or attest services (other than with respect to *de minimus* exceptions permitted by applicable laws, rules and regulations). In no event shall the independent auditors perform any non-audit services for the Company which are prohibited by applicable law or the rules established by the SEC or the Public Company Accounting Oversight Board (or other similar body as may be established from time to time). Establishing pre-approval policies and procedures, in compliance with the rules and criteria established by the SEC. Such pre-approval policies and procedures must be detailed as to the particular services to be provided, ensure that the Audit Committee knows precisely what services it is being asked to pre-approve and not include any delegation to management of the Audit Committee's responsibilities under applicable laws, rules and regulations to pre-approve all services provided by the independent auditors. Approval of a non-audit service to be performed by the independent auditors and, if applicable, the pre-approval policies and procedures established by the Audit Committee shall be disclosed as required under applicable SEC rules in Bob Evans' Annual Report on Form 10-K and annual proxy statement.

**C. Oversight of the Internal Audit Function**

The following are the principal responsibilities of the Audit Committee with respect to oversight of the internal audit function:

1. Ensuring that the Company has an internal audit function.
2. Reviewing the appointment, performance and replacement of the internal auditors and evaluating the effectiveness of the internal audit function.
3. Reviewing and discussing with the internal auditors the results of their internal audits, including their assessment of the Company's risk management processes and system of internal control and each significant point brought up in the internal auditors' letter of recommendation to management and management's responses.

**D. Compliance**

The following are the principal responsibilities of the Audit Committee with respect to oversight of compliance matters:

1. Reviewing procedures designed to identify "related party" transactions that are material to the Company's financial statements or otherwise require disclosure under applicable law and rules adopted by the SEC or Nasdaq. Approving any "related party" transactions when the Audit Committee deems it appropriate to do so.
2. Establishing procedures and requiring the Company to obtain or provide the necessary resources and mechanisms for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
3. Reviewing and discussing with management and the independent auditors any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
4. Obtaining regular updates from management and Company's legal counsel regarding legal matters that may have an impact on the Company's financial statements.

**E. Additional Responsibilities**

1. Reviewing with the Board any issues which arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the independent auditors or the performance of the internal audit function.
2. Providing an open avenue of communication among the internal auditors, the independent auditors and the Board.
3. Preparing the Audit Committee report to be included in Bob Evans' annual proxy statement and any other information related to the responsibilities of the Audit Committee required to be disclosed under the rules of the SEC and Nasdaq.
4. At least annually, reviewing and reassessing the adequacy of this Charter and recommending any proposed changes to the Board. This Charter and any amendments hereto shall be publicly disclosed at the times and in the manner required by the applicable rules or criteria established by Nasdaq and the SEC.