



Bridgford Foods Corporation  
Amended and Restated Audit Committee Charter  
(As Adopted October 11, 2021)

## I. PURPOSE

The purpose of the audit committee (the “**Committee**”) of the board of directors (the “**Board**”) of Bridgford Food Corporation (the “**Company**”) is to oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements.

This Amended and Restated Audit Committee Charter (this “**Charter**”) was amended and restated by the Board on October 11, 2021.

The Committee’s principal functions include:

- reviewing the financial reports and other financial information prepared by the Company for submission to any governmental or regulatory body or the public and monitoring the integrity of such reports;
- reviewing the Company’s systems of internal controls established for finance, accounting, legal compliance and ethics including oversight of the internal audit function;
- reviewing the Company’s accounting and financial reporting processes generally and the audits of the Company’s financial statements;
- monitoring the Company’s compliance with legal and regulatory requirements that may have a material effect on the Company’s financial statements, compliance policies and programs, and reports from regulators;
- overseeing all audit processes, including, but not limited to, the Company’s independent accountant’s qualifications, independence, and performance;
- overseeing the Company’s financial risk assessment and risk management policies, procedures and practices;
- overseeing the Company’s enterprise risk assessment and management policies, procedures and practices (including regarding those risks related to information security, cybersecurity, and data protection); and
- providing effective communication among the Board, senior and financial management, the internal audit function and the independent accountant.

## II. MEMBERSHIP

The Committee shall consist of three or more members of the Board, with the exact number determined by the Board. Committee members shall be appointed by and serve at the discretion of the Board until their successors are elected or appointed. Vacancies occurring on the Committee shall be filled by the vote of a majority of the authorized number of directors on the Board. The chairperson of the Committee (the “**Chairperson**”) shall be appointed by the Board. In the absence of any such appointment, the Committee may designate a Chairperson by majority vote of the Committee members.

Each Committee member shall (a) be independent, as defined in the Nasdaq Listing Rules and the rules and regulations promulgated by the Securities and Exchange Commission (“**SEC**”), and as further described below; (b) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; (c) be able to read and understand fundamental financial statements at the time of appointment, in accordance with the requirements set forth in Nasdaq Listing Rules; and (d) meet any other requirements imposed by applicable laws, rules, regulations and listing standards, subject to any applicable exemptions and transition provisions. In addition, at least one Committee member shall have prior 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 in accordance with the Nasdaq Listing Rules. Further, at least one member shall qualify as an “audit committee financial expert” as defined under Regulation S-K.

Each Committee member shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a Committee member. For example, an independent director may not be associated with a major vendor to, or customer of, the Company. In the event there is doubt about a Committee member’s independence, as when a member of the Committee has a short-term consulting contract with a major customer, the member should excuse himself or herself from any decision that might be influenced by that relationship.

### **III. GENERAL RESPONSIBILITIES**

- A. The Committee shall provide effective communication among the internal auditors, the Company’s independent accountant, and the Board.
- B. The Committee shall report Committee actions to the full Board and may make appropriate recommendations.
- C. The Committee has the power to conduct or authorize investigations into matters within the Committee’s scope of responsibilities with full access to all books, records, facilities, and personnel of the Company. The Committee is authorized to retain independent counsel, accountants, or others it needs to carry out its responsibilities, including, but not limited to, any specific investigation.
- D. The Committee shall meet at least four times each year or more frequently if circumstances make that preferable. The Chairperson has the power to call a Committee meeting whenever he or she thinks there is a need. The Chairperson shall set the agenda for Committee meetings, and conduct proceedings of those meetings. Any member may suggest agenda items for consideration. Briefing materials shall be

provided to the Committee as far in advance of meetings as practicable. A Committee member should not vote on any matter in which he or she is not independent. The Committee may ask members of management or others to attend the meeting and is authorized to requisition all pertinent information from management. At the option of the Chairperson, a meeting may conclude with an executive session of the Committee absent members of management.

- E. The Committee shall establish and maintain procedures for receiving, retaining, and treating complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, including procedures for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
- F. The Committee shall establish procedures for the hiring of employees and former employees of the independent accountant.
- G. The Committee shall maintain written minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board.
- H. The Committee shall take whatever other actions are required by applicable law, the Company's Articles of Incorporation or Bylaws, or the Board.

#### **IV. RESPONSIBILITIES FOR ENGAGING INDEPENDENT ACCOUNTANT**

- A. The Committee shall select (and recommend that the Board submit for shareholder ratification, if applicable) the independent accountant for Company audits. The Committee also shall review and set any fees paid to the independent accountant, both for audit and lawfully permitted non-audit services, and review and approve dismissal of the independent accountant. The Committee shall have the sole authority to approve the hiring and firing of independent accountants and all compensation and retention terms with respect to any engagement of independent accountants. The independent accountant shall report directly to the Committee.
- B. The Committee shall review and evaluate the performance of the independent accountant and ascertain that the lead (or concurring) audit partner from any public accounting firms performing audit services, serves in that capacity for no more than five fiscal years of the Company.
- C. The Committee shall approve in advance the retention of the independent accountant for the performance of all audit and lawfully permitted non-audit services and the fees for such services (provided that pre-approval of non-audit services will not be required in those circumstances where a subsequent approval is permissible under applicable SEC and Nasdaq rules).
- D. The Committee shall confirm and assure the independence of the independent accountant, including a review of management consulting services provided by the independent accountant and the fees paid for them. To facilitate this confirmation, the Committee shall obtain on a periodic basis a formal written statement from the independent accountant regarding relationships and services with the Company which

may impact independence and present this statement to the Board and to the extent there are such relationships, monitor and investigate them.

- E. The Committee shall, at least annually, obtain and review a report by the independent accountant describing: (i) the accounting firm's internal quality-control procedures; and (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 or a private sector regulatory board, within the preceding five years, respecting one or more independent audits performed by the firm, and any steps taken to deal with any such issues.
- F. The Committee shall consider, in consultation with the independent accountant, the audit scope and procedural plans made by the independent accountant.
- G. The Committee shall oversee the resolution of disagreements between management and the independent accountant regarding financial reporting, if they arise.
- H. The Committee shall listen to management and the primary independent accountant if either believes there might be a need to engage additional auditors. The Committee shall decide whether to engage an additional firm and, if so, which one.

**V. RESPONSIBILITIES FOR REVIEWING THE ANNUAL EXTERNAL AUDIT AND QUARTERLY AND ANNUAL FINANCIAL STATEMENTS**

- A. The Committee shall confirm that the independent accountant (i) views the Committee as its client, (ii) shall be available to the full Board at least annually, and (iii) provides the Committee with a timely analysis of significant financial reporting issues.
- B. The Committee shall review significant financial risks and exposures with management and the independent accountant and shall assess management's steps to minimize them.
- C. The Committee shall review the following with the independent accountant and management:
  - i. The adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal controls, including computerized information system controls and security; and
  - ii. Any significant finding and recommendations made by the independent accountant together with management's responses to them.
- D. The Committee shall review and discuss with management and the independent accountant, prior to the filing of the Company's Annual Report on Form 10-K:
  - i. The Company's annual financial statements and related footnotes;

- ii. The Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" including, without limitation, all critical accounting policies and practices used by the Company;
  - iii. The independent accountant's audit of and report on the financial statements;
  - iv. The effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the Company's financial statements, if any;
  - v. The independent accountant's qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial disclosures and how aggressive (or conservative) the accounting principles and underlying estimates are;
  - vi. Any difficulties or disputes encountered during the course of the audit, including any restrictions on the scope of his or her work or access to required information;
  - vii. Any significant financial reporting issues that have arisen in connection with the preparation of the Company's annual financial statements during the relevant period;
  - viii. All alternative treatments of financial information within the generally accepted accounting principles in the United States ("GAAP") that have been discussed with management, the ramifications of each alternative, and the treatment preferred by the Company; and
  - ix. Anything else about the audit procedures or findings that GAAP requires the auditors to discuss with the Committee.
- E. The Committee shall review all material written communications between the independent accountant and management.
- F. The Committee shall review quarterly and annual filings with the SEC and other published documents containing the Company's financial statements, including but not limited to earnings press releases, and shall consider whether the information in the filings is consistent with the information in the financial statements. The Committee shall pay particular attention to any pro forma or adjusted non-GAAP financial information.
- G. The Committee shall review and discuss the interim financial reports, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and the independent accountant before those interim results are released to the public in an earnings release or filed with the SEC or other regulators. The Committee shall direct the independent accountant to review such interim financial statements using professional standards and procedures for such reviews.

- H. The Committee shall prepare a letter for inclusion in the annual report that describes the Committee's composition and responsibilities and how the responsibilities were fulfilled. The Committee shall also prepare a report for the Company's proxy statement in accordance with the requirements of Regulation S-K and any other item required for inclusion in the proxy statement.
- I. In connection with each periodic report of the Company, the Committee shall review:
  - i. Management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act of 2002; and
  - ii. The contents of the chief executive officer and the chief financial officer certificates to be filed under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

## VI. OVERSIGHT OF INTERNAL AUDIT

- A. The Committee shall oversee the Company's establishment and maintenance of an appropriate control process for reviewing and approving its internal transactions and accounting, whether such process is implemented through an internal audit department of the Company, through outsourcing or otherwise (the "**internal audit function**").
- B. When the internal audit function is established, the Committee shall oversee the activities, organizational structure and qualifications of the internal audit function.
- C. The Committee shall discuss with the internal audit function any changes to, and the implementation of, the internal audit plan and any special projects and discuss with the internal audit function the results of the internal audits and special projects.
- D. The Committee shall review the regular internal reports to management (or summaries thereof) prepared by the internal audit function, as well as management's response thereto.
- E. The Committee shall discuss with the internal audit function any audit problems or difficulties, including any restrictions on the scope of the internal audit function's activities or on access to requested information, and management's response to same and any other matters required to be brought to its attention.
- F. The Committee shall review the effectiveness of the internal audit function.

## VII. PERIODIC RESPONSIBILITIES

- A. The Committee shall review and reassess the adequacy of this Charter at least annually and recommend to the Board any amendments to the Charter that the Committee deems appropriate or necessary.
- B. The Committee shall review policies and procedures covering officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of those areas by the independent accountant.

- C. The Committee shall review, approve, and monitor with the independent accountant, the Company's code of conduct and such other codes of business conduct that the Company may adopt from time to time pertaining to its directors, officers, or employees, as well as the Company's system to monitor compliance with the same.
- D. The Committee shall review, in conjunction with counsel at the discretion of the Committee, legal and regulatory matters that may have a material effect on the organization's financial statements, compliance policies and programs, and reports from regulators.
- E. The Committee shall provide oversight and regularly review the Company's policies, procedures and practices with respect to enterprise risk assessment and risk management, including those risks related to information security, cybersecurity and data protection.
- F. The Committee shall conduct an annual review of the Company's investment policies and performance for cash and short-term investments.
- G. The Committee shall meet with the independent accountant and management in separate executive sessions to discuss matters the Committee or these groups believe should be discussed privately with the Committee. The Committee shall meet separately with the Company's chief executive officer and chief financial officer at least annually to review the financial affairs of the Company, including a review of the Company's internal controls. The Committee shall meet separately with the independent accountant at such times as it deems appropriate to review the independent accountant's examination and management report.
- H. In consultation with the independent accountant and the internal audit function (if applicable), the Committee shall review the integrity of the Company's financial reporting processes (both internal and external).
- I. As the Committee deems appropriate, it shall obtain advice and assistance from outside legal, accounting, or other advisors; in this regard, the Committee shall have the authority to engage, oversee, and require funding for outside legal, accounting, or other advisors.
- J. The Committee shall review and approve in advance all related-party transactions (defined as those transactions required to be disclosed under Regulation S-K) for potential conflicts of interest.
- K. The Committee shall conduct an annual performance assessment relative to the Committee's purpose, duties, and responsibilities outlined herein.

## VIII. COMPENSATION

- A. The Company shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for the payment of: (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company; (ii) compensation to any advisors employed by the Committee pursuant to the terms of this Charter; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
  
- B. Members of the Committee shall receive such fees, if any, for their service as Committee members as may be determined by the Board in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the board of directors. Members of the Committee may not receive any compensation from the Company except fees that they receive for service as a member of the Board or any committee thereof and reasonable expense reimbursement.<sup>1</sup>