

Bob Evans Farms, Inc. Corporate Governance Principles

Introduction

The products and services provided by Bob Evans Farms, Inc. are the result of the hard work and dedication of our employees. Our vision is to be the “Best in Class” in all of our food businesses. Our mission is building brand loyalty by delighting customers with high-quality, delicious products “at your place or ours,” while balancing the needs of our employees, guests and stockholders. We intend to achieve our vision and mission by following a set of principles we refer to as our BEST (Bob Evans Special Touch) Brand Builders:

- Winning together as a team;
- Consistently driving sales growth;
- Improving margins with an eye on customer satisfaction;
- Being the best at operations execution; and
- Improving returns on invested capital.

Our management is responsible for implementing strategies to achieve these goals. Our Board of Directors oversees, counsels and directs management in the long-term interest of Bob Evans and its stockholders. Corporate governance is an important way the Board carries out its oversight duties.

Bob Evans is committed to responsible corporate governance. Our Certificate of Incorporation and Bylaws, applicable state and federal laws and regulations, and stock market regulations contain legal requirements regarding our corporate governance. The Board has adopted these principles to provide further guidance in performing its functions and to provide our stockholders with insight into our system of corporate governance.

Size of Board

We currently have nine directors. As required by our Bylaws, the directors have been divided into three classes of three directors each, with the directors of each class being elected at the annual meeting of stockholders every third year. The classified structure ensures continuity of Board members to maintain the direction and strategy for Bob Evans in providing long-term stockholder value.

[Click here](#) to see the current members of the Bob Evans Board.

Director Independence

Our Board of Directors consists of a majority of “independent” directors. We define “independence” in accordance with applicable requirements of the NASDAQ Stock Market and the Securities and Exchange Commission (SEC). The NASDAQ definition of independence includes a series of objective tests, such as that the director is not an employee of the company and has not engaged in various types of business dealings with

the company. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board must make an affirmative determination that each independent director is free of any relationships that would, in the Board's opinion, interfere with the director's ability to exercise independent judgment in carrying out his or her responsibilities as a director.

Lead Independent Director

The Board believes that designating an independent director to serve in a lead capacity to coordinate the activities of the other independent directors and to perform other functions will serve the best interests of Bob Evans and its stockholders.

The Lead Independent Director's specific responsibilities are to:

- Provide direction to the Chairman regarding an appropriate schedule for Board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with Bob Evans' operations;
- Approve with the Chairman the agenda and schedules for each Board meeting with the understanding that agenda items requested on behalf of the independent directors will be included in the agenda;
- Advise the Chairman as to the quality, quantity and timeliness of the flow of information from management that is necessary or appropriate for the independent directors to perform their duties effectively and responsibly, with the understanding that the independent directors will receive any information requested on their behalf by the Lead Independent Director;
- Call, coordinate, develop the agenda for, and chair meetings of the independent directors;
- Act as principal liaison between the independent directors and the Chairman and the Chief Executive Officer on sensitive issues and, when necessary, ensure the full discussion of those issues at Board meetings;
- Assist the Nominating and Corporate Governance Committee, the Board and management in ensuring compliance with and implementation of these principles;
- Provide input to the Nominating and Corporate Governance Committee regarding the appointment of the Chairman and members of Board committees;
- Serve as Chairman when the Chairman is not present;
- Serve as a liaison for consultation and communication with Bob Evans' stockholders when requested by stockholders.

Functions of the Board

The following are the primary responsibilities of Bob Evans' Board and its committees:

- evaluation, approval and monitoring of the company's business, strategic and financial objectives, plans and actions;
- assessment and mitigation of major risk factors facing the company;

- selection, evaluation and compensation of the company's executive officers, including the Chief Executive Officer;
- succession planning; and
- oversight of the establishment, implementation and maintenance of policies, practices and procedures to ensure the company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws.

Board Operations

- The Chairman of the Board and the Lead Independent Director set the agenda for Board meetings. Agenda items that are the responsibility of Board committees are set by the chair of the committee. Any director may request that an item be added to the agenda.
- Generally, directors receive material related to agenda items prior to the Board or committee meeting for their review to enhance meeting discussion. Material related to sensitive matters may be discussed at meetings without written materials being distributed in advance or at the meetings.
- Members of senior management may be invited to present on a specific issue at a Board or committee meeting. In addition, directors have free access to all other members of management and employees of the company.
- Independent directors meet in executive session without management after each regularly scheduled Board meeting under the direction of the Lead Independent Director.
- Directors are expected to spend the time and effort necessary to properly discharge their Board and committee responsibilities. Accordingly, directors are expected to attend meetings of the Board and committees on which they sit, as well as annual meetings of stockholders.

Access to Outside Advisors

The Board and committees of the Board have the authority to engage their own outside advisers as they determine appropriate, apart from counsel or advisers hired by management of the company.

Confidentiality

Directors, like all employees, should maintain the confidentiality of information entrusted to them by Bob Evans or any other confidential information about Bob Evans that they receive from any source in their capacity as a director, except when disclosure is authorized by the Board of Directors or legally required. Directors are expected to take steps to minimize the risk of disclosure of confidential information coming to them from Bob Evans and of confidential discussions involving directors. All discussions occurring at Board or committee meetings are presumed to be confidential to the extent disclosure of them is not legally required. Directors may not use confidential information of Bob Evans (1) for their own personal benefit or for the benefit of persons or entities other than Bob Evans or (2) in violation of any law or regulation, including insider trading laws and

regulations. These responsibilities apply to directors during and after their service on the Board. For purposes of this guideline, “confidential information” is all non-public information regarding Bob Evans, including information that could be helpful to competitors or otherwise harmful to Bob Evans’ interests or objectives if disclosed.

Director Compensation

All directors receive a monthly director fee and a fee for each committee meeting they attend. The meeting fee is increased for committee chairs. The Lead Independent Director also receives a supplemental monthly fee for the additional services he or she provides to the Board. Each independent director also receives an annual grant of restricted stock or other equity compensation of the company.

Changes in Board compensation are made by the Board based upon recommendations from the Compensation Committee.

Stock Ownership Guidelines

We maintain stock ownership guidelines for our directors and officers. We believe the guidelines further align the motivations and interests of our directors and officers with the interests of our stockholders. The guidelines ensure that the individuals responsible for our stewardship and growth have a significant personal stake in our performance and progress.

The ownership guidelines vary based on the individual’s pay and position. We count shares beneficially owned, as well as unvested restricted stock and phantom stock/share equivalent units held beneficially through our 401(k) plan and dividend reinvestment plan toward these requirements. We do not count unexercised options toward the ownership requirements.

Each of our officers and directors is expected to meet 50% of the applicable requirement within three years and 100% of the requirement within five years from the later of (1) the implementation of the guidelines; (2) their election as an officer or director; or (3) their promotion to a position with a higher ownership requirement.

[Click here](#) to see the current stock ownership guidelines.

Resignation/Retirement of Directors

When a director’s principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, the director must tender a letter of resignation to the Board and the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will review whether the director’s new occupation, or retirement, is consistent with the rationale for originally selecting that individual, the guidelines for Board membership (e.g., independence) and the current needs of the Board. The Nominating and Corporate Governance Committee will recommend action to be taken by the Board regarding the resignation based on the circumstances of retirement, if that is the case, or in the case of a new position, the responsibility, type of position and industry involved.

A director may not stand for re-election to the Board after his or her 70th birthday.

Resignation Policy Relating to Majority Voting for Directors

Bob Evans' Bylaws provide that, in uncontested elections (i.e., those where the number of nominees is the same as the number of directors to be elected), directors are elected by a majority of the votes cast. The Bylaws further provide that in order for any incumbent director to be nominated by the Board for re-election, the incumbent director must submit an irrevocable resignation to the Board which will only become effective if (1) the incumbent director does not receive more than 50% of the votes cast and (2) the Board accepts the resignation.

Within 90 days after receipt of the certified vote in any election where an incumbent director does not receive more than 50% of the votes cast, the Nominating and Corporate Governance Committee and the Board will consider whether to accept the incumbent director's resignation in light of the best interests of Bob Evans and its stockholders. When making this decision, the Nominating and Governance Committee and the Board may consider any factors they determine appropriate and relevant, such as any stated reasons why stockholders voted against the incumbent director; any alternatives for addressing the reason for the "against" votes; and whether the loss of the incumbent director would:

- eliminate a financial expert from the Audit Committee;
- cause the Board to have less than a majority of independent directors;
- cause Bob Evans' failure to satisfy applicable stock exchange listing requirements;
- result in Bob Evans' default or breach under any loan covenants or other material contracts; or
- trigger a significant payment by Bob Evans under an executive employment contract or other contract.

The Board expects that any incumbent director who fails to receive a majority vote will voluntarily recuse himself or herself from participation in any meetings of Nominating and Corporate Governance Committee and the Board regarding his or her resignation.

Within four business days following acceptance or rejection of the incumbent director's resignation, Bob Evans will file a report with the SEC on Form 8-K in which it will publicly disclose the Board's decision and rationale.

Selection of New Directors

The Nominating and Corporate Governance Committee of the Board identifies and recommends to the Board candidates for election or re-election to the Board. In carrying out its responsibilities, the Nominating and Corporate Governance Committee considers various factors which it deems relevant, including judgment, skill, diversity, independence, strength of character, experience with businesses and organizations of comparable size, experience with a publicly traded company, experience and skill relative

to other directors, desirability of the candidate's membership on the Board and any committees of the Board, the ability of the candidate to represent the company's stockholders and other considerations requested by the Board.

Directors and nominees are limited to serving on only three additional boards of public companies in addition to Bob Evans' Board.

Director Orientation and Continuing Education

A sound understanding of Bob Evans' business is essential to ensure maximum contributions by directors. Consequently, the Board and senior management conduct orientation for new directors to become familiar with Bob Evans and its strategies, values, including ethics, financial matters, corporate governance and key policies and practices. New directors also review background materials provided by management, meet with senior management and visit various Bob Evans facilities.

The Board also recognizes the importance of continuing education to enable its members to better perform their duties and recognize and deal with the various issues that may come before them. Therefore, directors are encouraged to take advantage of relevant continuing education opportunities, and the Board works with management to identify and provide such opportunities.

Committees of the Board

The Board has established the following committees to assist in carrying out its responsibilities to the company and to stockholders:

- **Audit Committee:** oversees the company's accounting and financial reporting processes, audits and internal controls and audit functions; directly responsible for the appointment, compensation and oversight of the company's independent auditors.
- **Compensation Committee:** reviews and approves compensation policies, strategies and pay levels necessary to support the company's strategic plan, including director and executive officer compensation; administers the company's equity compensation and other long-term incentive plans; provides recommendations regarding management succession.
- **Nominating and Corporate Governance Committee:** identifies and recommends to the Board for nomination, election or appointment candidates for membership on the Board; oversees compliance by the company on corporate governance matters and practices.

The charter for each of the above committees may be viewed by clicking on the committee name.

Independence of Committee Members

Only independent directors are permitted to be members of the existing committees of the Board. Depending on the committee, committee members must satisfy additional

requirements of the SEC and NASDAQ relating to independence, financial expertise and the like.

Performance Evaluation of the Board

The Board and each committee of the Board performs an annual self-evaluation. The evaluations include a review of the Board's overall effectiveness and the areas where the Board or management believes the Board can make an impact on Bob Evans. The Nominating and Corporate Governance Committee may use the results of the evaluation to determine the characteristics and to assess the skills required of prospective candidates for election to the Board and to make recommendations to the Board with respect to the assignment of directors to committees of the Board.

Annual Compensation Review of Executive Officers

The Compensation Committee of the Board has the responsibility of determining the salaries, annual bonuses and other compensation for Bob Evans' executive officers. The Compensation Committee also administers Bob Evans' equity compensation and other long-term incentive plans.

Management Development and Succession Planning

Periodically, the Compensation Committee reviews and makes recommendations to the Board and management regarding Bob Evans' organizational structure and succession plan for the Chief Executive Officer and other executive officers.

Ethics and Conflicts of Interest

The Board has approved a Code of Conduct that sets forth standards regarding honest and ethical conduct, full and timely disclosure and compliance with law. The Code of Conduct applies to all of our employees, officers and directors. The Code of Conduct requires the reporting of violations which are then investigated and addressed.

Amendments to certain provisions of the Code of Conduct or waivers granted to directors and executive officers may only be made by the Board and will be disclosed on our Web site within five days. The Board reviews the Code of Conduct annually.

[Click here](#) to see the Code of Conduct.

Bob Evans has an open-door policy, which encourages employees, officers and directors to present ideas, raise concerns and ask questions, including those of a legal or ethical nature with the responsible supervisor or other person who can frequently resolve the issues. Additionally, Bob Evans has established procedures, including a toll free hotline, for the confidential, anonymous submission by employees of complaints and concerns, particularly those regarding questionable accounting or auditing matters. This hotline is managed by an unrelated third party.

Communicating with the Bob Evans Board of Directors

Any individual may contact any director, including members of any committee of the Board, by writing to them at:

Bob Evans Farms Inc.
c/o Vice President and General Counsel
3776 S. High Street
Columbus, Ohio 43207

E-mails may also be sent to the audit committee at audit.comm@bobevans.com. Please note that:

- All questions and concerns regarding accounting, internal accounting controls or auditing matters are promptly forwarded to the Audit Committee for review and investigation.
- All other communications are initially reviewed by the vice president and general counsel and/or corporate secretary. The Lead Independent Director is promptly notified of any such communication that alleges misconduct on the part of the top management or raises legal, ethical or compliance concerns about company policies or practices.
- The Chairman of the Board receives copies of all other Board-related communications on a periodic basis. The office of the corporate secretary maintains a log of all such communications, which is available for review upon request by any director.

Typically, communications unrelated to the duties and responsibilities of the Board are not forwarded to the directors, such as:

- product complaints and inquiries;
- new product and location suggestions;
- resumes and other forms of job inquiries;
- opinion surveys and polls;
- business solicitations or advertisements; and
- junk mail and mass mailings.

The Board has approved these procedures and has designated the corporate secretary and chief financial officer to manage the receipt of Board communications.