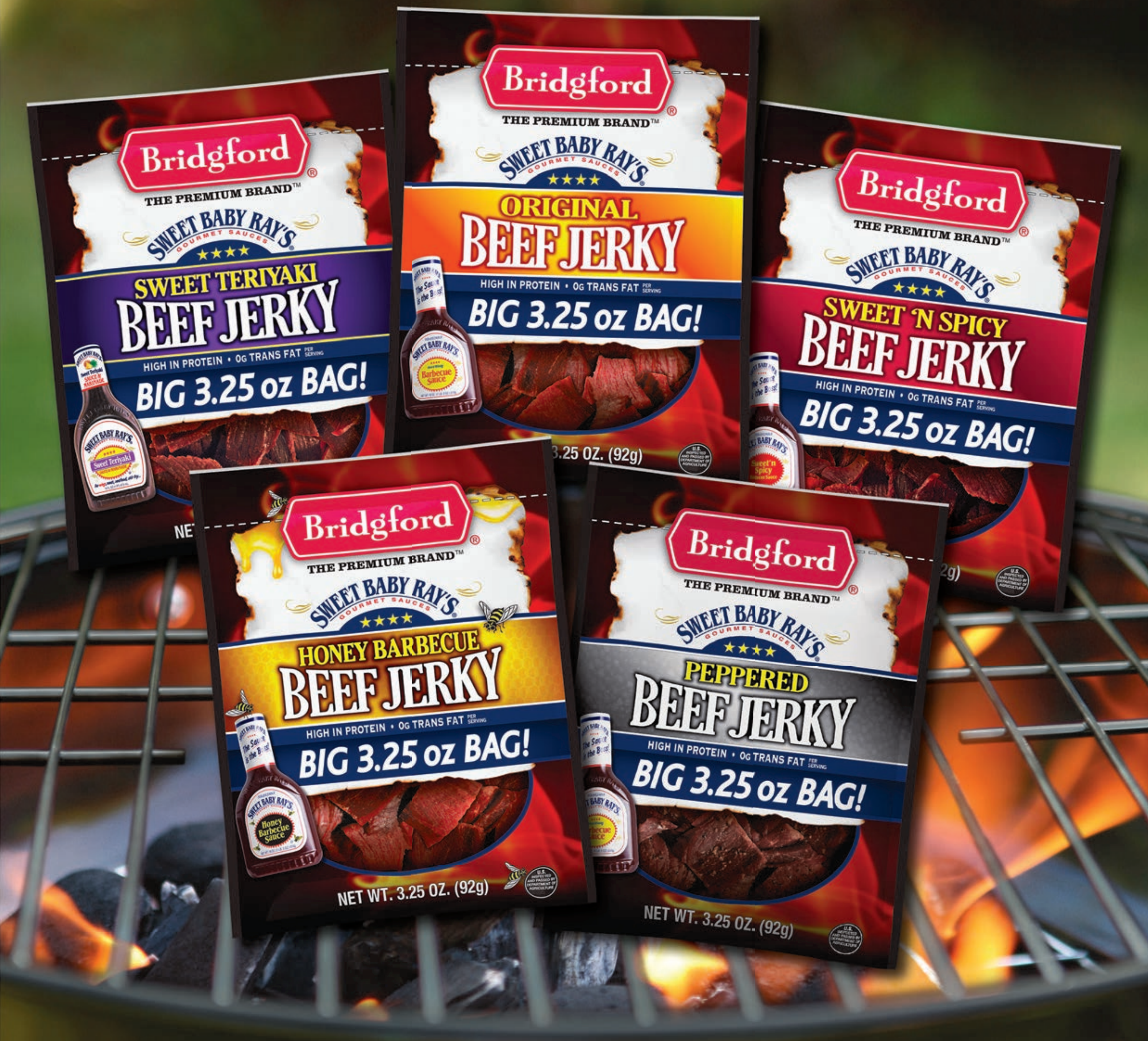
Bridgford®

THE PREMIUM BRAND™



ANNUAL REPORT 2019

Notice of 2020 Annual Meeting and Proxy Statement

TO OUR SHAREHOLDERS

2019 was another successful year for Bridgford Foods Corporation. While we continue to refine our current marketing and processing operations, we are also providing for the future growth of the most critical parts of our business. Sales during the 2019 fiscal year were up 8.3% at $188,785,000, and income before taxes was $8,537,000, equal to $.94 per share. After taxes, the company reported net income of $6,484,000, equal to $.71 per share.

SALES AND MARKETING HIGHLIGHTS

In our Chicago Dry Sausage and Meat Snack Division, our nationwide Direct Store Delivery system gives us a unique advantage in the marketplace. Not only are we able to directly promote our products at store level, we provide a valuable service to our retail customers, particularly in light of the tight, higher-cost labor market that has emerged from our nation's strong economy. Under the direction of Corporate Vice President Chris Cole and Division Vice President Baron Bridgford II, our skilled team of professional salespeople enables us to provide unparalleled service to our growing retail customer base. Introduced in 2018, our line of Smokehouse Sausage Sticks continues to gain market share around the country, and we have several exciting new products in the wings for 2020. We continue to pursue opportunities in the foodservice arena as well.

The Bridgford Pro Fishing Team helps expand our brand awareness, both on and off the water. Under the leadership of Team Captain Randy Blaukat, the team's performance in 2019 was outstanding, with 15 Top-20 finishes on the various professional tours. We currently sponsor seven anglers throughout the year, and collectively they have over 235,000 fans on various social media platforms. We are increasing their involvement in our direct selling efforts, and they have proven to be very effective in gaining premium placements for our products in many of our key retailers. We see a bright future for this aspect of our promotional efforts.

In our foodservice bread division, our customers continue to explore ways to reduce their labor costs while maintaining or improving the customer experience. Our products thrive under those parameters, and we have accelerated our sales efforts to cash in on these opportunities. Senior Vice President Dan Yost is leading the charge, and he has an excellent crew of baking and selling professionals to support our efforts. Frozen Cinnamon Rolls, in both Proof & Bake and Prebaked formats, are currently garnering considerable interest in the trade, as well as other high quality, convenient offerings.

Demand for our Shelf-Stable Sandwich products continued to grow in 2019, as our customer base continues to expand worldwide. New varieties and unique offerings are continually being added to this product line, and the U.S. Military remains a staunch supporter of this aspect of our operations.

We continue to use social media as a tool to promote our products and brand, with a heavier focus on influencers. Instagram provides an interactive experience for consumers, and Bridgford how-to video content is easily accessible on Instagram Television- "IGTV". The recently launched Bridgford Outdoors Facebook page emphasizes the quality and convenience of our various meat snack products, and how adaptable they are to an active lifestyle. Our social media team continues to develop recipes, photos and videos aimed at promoting the versatility of our products.

OPERATIONS

Commodity costs affecting our business were relatively stable when 2019 is looked at in its entirety, though costs were trending upwards in the latter part of the fiscal year and will likely be higher in 2020. Weather, politics, and international factors all figure into the equation, so as usual nothing is certain in this area.

The buildout of our 44th St. facility in Chicago continues, and we commenced beef jerky processing operations there during the 2019 year. We expect to be fully transitioned from our Green St. facility to 44th St. by mid-summer 2020. Our new state-of-the-art plant will provide significant operational efficiencies as well as enhanced product consistency and quality. We are pursuing SQF certification at our new plant, and preliminary audits have received excellent results. We have been operating a leased satellite plant in the Chicago area for the last few years as well, and Baron R.H. Bridgford, President of Bridgford Foods of Illinois, and his sons Brian and Richard have done a remarkable job of keeping everything going efficiently at 3 locations while providing for our eventual consolidation into 44th St.

In the frozen food division, our two Texas facilities are in the process of transitioning to new supervisory teams as some of our 3rd generation managers begin to reduce their roles. We added a 2nd packaging line for Shelf-Stable Sandwiches at our Statesville plant, essentially doubling our capacity. We have a solid team of managers throughout the division who are always striving to anticipate the needs of our customers and the marketplace.

FINANCIAL MATTERS

Our working capital totaled $32,828,000 at November 1, 2019, $2,021,000 (5.8%) lower than at the beginning of the fiscal year, and our working capital ratio decreased to 2.7 to 1 at November 1, 2019, compared to 2.9 to 1 at November 2, 2018. The decrease in working capital resulted from significant capital expenditures which included approximately $13,723,000 related to renovation and expansion of our 44th St. facility in Chicago. We contributed a total of $875,000 toward our defined benefit pension plan during the 2019 fiscal year. The defined benefit plan was frozen in the 3rd quarter of 2006 and replaced with a 401(k) defined contribution plan.

We maintain a line of credit with Wells Fargo Bank in the amount of $7,500,000 which expires March 1, 2020. We anticipate this line will renewed for an additional two years in mid-February 2020. The Company borrowed $4,000,000 under this line of credit during fiscal 2019 and had $2,000,000 borrowings outstanding as of November 1, 2019. The Company borrowed an additional $2,500,000 under the line of credit on January 24, 2020. On December 26, 2018, we entered into a master collateral loan and security agreement with Wells Fargo Bank, N.A for up to $15,000,000 in equipment financing. Pursuant to the loan agreement, we borrowed $15,000,000 (two receipts of $7,500,000) to purchase specific equipment for our new Chicago processing facility at fixed rates of 4.13% and 3.97% per annum. The loan terms are seven years and they are secured by the purchased equipment. The Company entered into a third master collateral loan and security agreement with Wells Fargo Bank, N.A for $3,750,000 in equipment financing on December 23, 2019. Pursuant to the loan agreement, we borrowed $3,750,000 to purchase specific equipment for our new Chicago processing facility at a fixed rate of 3.70% per annum. The loan term is seven years and it is secured by the purchased equipment.

Shareholders' equity totaled $66,484,000, an increase of $804,000 (1.2%) compared to the end of the prior year. Net income from operations was $8,537,000 for the fiscal year ended November 1, 2019.

Our frozen defined benefit pension recognized a loss of $6,632,000 in Shareholders' equity. This loss resulted primarily from a decrease in the Citigroup Pension Liability Index from 3.65% in fiscal year 2018 to 3.00% in fiscal year 2019. This rate is used to compute the present value of our defined benefit pension obligations.

We did not repurchase any shares of the Company's common stock during 2019. Approximately 120,000 shares of the Company's common stock remain available for repurchase under the 2 million share repurchase plan previously authorized by the Board of Directors. Shareholders' equity per share was $7.32 at November 1, 2019 compared to $7.24 at November 2, 2018.

Management assessed the effectiveness of the Company's internal control over financial reporting for the fiscal year ended November 1, 2019. We believe our control systems remain effective. Management's Report on Internal Controls over Financial Reporting is included in the Form 10-K report. No significant weaknesses in internal accounting control, to the extent identified, were unresolved at the conclusion of the 2019 fiscal year.

SUMMARY

For the last few years, your company's focus has been on providing the infrastructure to sustain our business well into the future, and while that is an objective that never goes away, 2020 should be a pivotal year in reaching some of the milestones we've been working towards. We wouldn't be approaching these goals without the steadfast backing of our outstanding team of associates, customers, and suppliers, and we sincerely appreciate your support. We are particularly encouraged by the leadership displayed by our next generation of managers, and we are confident that they will continue to grow into their roles during 2020.

Respectfully,

William L. Bridgford
Chairman

John V. Simmons
President

Raymond F. Lancy
Chief Financial Officer

February 5, 2020

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended November 1, 2019

Commission file number: 000-02396

BRIDGFORD FOODS CORPORATION
(Exact name of Registrant as specified in its charter)

California	95-1778176
(State of incorporation)	(I.R.S. Employer Identification No.)

1308 North Patt Street
Anaheim, California 92801
(Address of principal executive offices)
(714) 526-5533
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BRID	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller reporting company [X]
	Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

The aggregate market value of voting stock held by non-affiliates of the registrant on April 19, 2019 was $41,597,000.

As of January 24, 2020, there were 9,076,832 shares of common stock outstanding.

Portions of the registrant's Proxy Statement for the registrant's Annual Meeting of Shareholders to be held March 11, 2020 (the "Proxy Statement") are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

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PART I

Item 1. Business

This Annual Report on Form 10-K (this "Report") contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and Bridgford Foods Corporation intends that such forward-looking statements be subject to the safe harbors created thereby. Readers are cautioned that such statements, which may be identified by words including "anticipates," "believes," "intends," "estimates," "expects," and similar expressions, are only predictions or estimations and are subject to known and unknown risks and uncertainties. These forward-looking statements include, but are not limited to, statements regarding the following: general economic and business conditions; the impact of competitive products and pricing; success of operating initiatives; development and operating costs; advertising and promotional efforts; adverse publicity; acceptance of new product offerings; consumer trial and frequency; changes in business strategy or development plans; availability, terms and deployment of capital; availability of qualified personnel; commodity, labor, and employee benefit costs; changes in, or failure to comply with, government regulations; weather conditions; construction schedules; relationships with customers and suppliers; and other factors referenced in this Report.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions regarding our business, which involve judgments with respect to, among other things, future economic and competitive conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that the assumptions underlying the forward-looking statements are reasonable, actual results may differ materially from those set forth in the forward-looking statements. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as representation by us or any other person that the objectives or plans of our company will be achieved. The forward-looking statements contained herein speak as of the date of this Report and we undertake no obligation to update such statements after the date hereof.

Background of Business

Bridgford Foods Corporation (collectively with its subsidiaries, "Bridgford", the "Company", "we", "our"), a California corporation, was organized in 1952. We originally began operations in 1932 as a retail meat market in San Diego, California and evolved into a meat wholesaler for hotels and restaurants, a distributor of frozen food products, a processor and packer of meat, and a manufacturer and distributor of frozen food products for sale on a retail and wholesale basis. Currently, we and our subsidiaries are primarily engaged in the manufacturing, marketing and distribution of an extensive line of frozen and snack food products throughout the United States. We have not been involved in any bankruptcy, receivership, or similar proceedings since inception nor have we been party to any merger, acquisition, etc. or acquired or disposed of any material amounts of assets during the past five years other than those discussed in Item 7 of this Report. Substantially all of our assets have been acquired in the ordinary course of business.

Description of Business

Bridgford Foods Corporation currently operates in two business segments - the processing and distribution of frozen food products and the processing and distribution of snack food products. For information regarding the separate financial performance of the business segments refer to Note 7 of the Notes to Consolidated Financial Statements included in this Report.

The following table shows sales, as a percentage of consolidated sales, for each business segment during the last two fiscal years:

	2019	2018
Frozen Food Products	27%	27%
Snack Food Products	73%	73%
	100%	100%

We manufacture nearly all of our food products and distribute an extensive line of biscuits, bread dough items, roll dough items, dry sausage products and beef jerky. Our direct store delivery network consists of non-refrigerated snack food products. Our frozen food products division serves both food service and retail customers.

Although we have recently introduced several new products, most of these products have not contributed significantly to our revenue growth for fiscal year 2019 with the exception of smokehouse sausage sticks introduced in the second quarter of fiscal year 2018. Our sales are not subject to material seasonal variations. Historically we have been able to respond quickly to the receipt of orders and, accordingly, do not maintain a significant sales backlog. Neither Bridgford Foods Corporation nor its industry generally has unusual demands or restrictions on working capital items. During the last fiscal year, we did not enter into any new markets or any significant contractual or other material relationships.

Availability of SEC Filings and Code of Conduct on Internet Website

We maintain an Internet website at www.bridgford.com. Available on this website, free of charge, are annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and reports filed under Section 16 of the Securities Exchange Act of 1934 which we file with the Securities and Exchange Commission. Our Code of Conduct is also available on the website.

Product Distribution Methods

Our products are delivered to customers using several distinct distribution channels. The distribution channel utilized is dependent upon the needs of our customers, the most efficient proximity to the delivery point, trade customs, and operating segment as well as product type, life and stability. Among our customers are many of the country's largest broadline and specialty food service distributors. These and other large end purchasers occasionally go through extensive qualification procedures and our manufacturing capabilities are subjected to thorough review by the end purchasers prior to our approval as a vendor. Large end purchasers typically select suppliers that can consistently meet increased volume requirements on a national basis during peak promotional periods. We believe that our manufacturing flexibility, national presence, and long-standing customer relationships should allow us to compete effectively with other manufacturers seeking to provide similar products to our current large food service end purchasers, although no assurances can be given.

The factors that contribute to higher or lower margins generated from each method of distribution depend upon the accepted selling price, level of involvement by our employees in setting up and maintaining displays, distance traveled, and fuel consumed by our company-owned fleet as well as freight and shipping costs depending on the distance the product travels to the delivery point. Management is continually evaluating the profitability of product delivery methods, analyzing alternate methods and weighing economic inputs to determine the most efficient and cost-effective method of delivery to fulfill the needs of our customers.

Major Product Classes

Frozen Food Products

Our frozen food products division serves both food service and retail customers. We sell approximately 140 unique frozen food products through approximately 1,140 wholesalers, cooperatives and distributors.

Frozen Food Products – Food Service Customers

The food service industry is composed of establishments that serve food outside the home and includes restaurants, the food operations of health care providers, schools, hotels, resorts, corporations, and other traditional and non-traditional food service outlets. Growth in this industry has been driven by the increase in away-from-home meal preparation, which has accompanied the expanding number of both dual income and single-parent households. Another trend within the food service industry is the growth in the number of non-traditional food service outlets such as convenience stores, retail stores and supermarkets. These non-traditional locations often lack extensive cooking, storage, or preparation facilities resulting in a need for pre-cooked and prepared foods similar to those we provide. The expansion in the food service industry has also been accompanied by the continued consolidation and growth of broadline and specialty food service distributors, many of which are long-standing customers.

Frozen Food Products – Retail Customers

The majority of our existing and targeted retail customers are involved in the resale of branded and private label packaged foods. The same trends which have contributed to the increase in away-from-home meal preparation have also fueled the growth in easy to prepare, microwaveable frozen and refrigerated convenience foods. Among the fastest growing segments is the frozen and refrigerated hand-held foods market. This growth has been driven by improved product quality and variety and the increasing need for inexpensive and healthy food items that require minimal preparation. Despite rapid growth, many categories of frozen and refrigerated hand-held foods have achieved minimal household penetration. We believe we have been successful in establishing and maintaining supply relationships with certain selected leading retailers in this market.

Frozen Food Products – Sales and Marketing

Our frozen food business covers the United States. Products produced by the Frozen Food Products segment are generally supplied to food service and retail distributors who take title to the product upon shipment receipt through company leased long-haul vehicles. In addition to regional sales managers, we maintain a network of independent food service and retail brokers covering most of the United States. Brokers are compensated on a commission basis. We believe that our broker relationships, in close cooperation with our regional sales managers, are a valuable asset providing significant new product and customer opportunities. Regional sales managers perform several significant functions for us, including identifying and developing new business opportunities and providing customer service and support to our distributors and end purchasers through the effective use of our broker network.

Our annual advertising expenditures are directed towards retail and institutional customers. These customers participate in various special promotional and marketing programs and direct advertising allowances we sponsor. We also invest in general consumer advertising in various newspapers and periodicals including free standing inserts and coupons to advertise in major markets. We direct advertising toward food service customers with campaigns in major industry publications and through our participation in trade shows throughout the United States. Our advertising strategy includes our presence on social media and online distribution of promotional material.

Snack Food Products

During fiscal year 2019, our snack food products division sold approximately 120 different items through customer-owned distribution centers and a direct-store-delivery network serving approximately 17,000 supermarkets, mass merchandise and convenience retail stores located in 49 states.

Products produced or distributed by the Snack Food Products segment are supplied to customers through either direct delivery to customer warehouses or direct-store-delivery to retail locations. We utilize customer managed warehouse distribution centers to lower distribution cost. Product delivered to the customer's warehouse is then distributed to the store where it is resold to the end consumer. Our direct-store-delivery system focus emphasizes high quality service of our premium branded product to our customers. We also provide the service of setting up and maintaining the display and restocking our products.

Snack Food Products — Customers

Our customers are comprised of large retail chains and smaller "independent" operators. This part of our business is highly competitive. Proper placement of our product lines is critical to selling success since most items could be considered "impulse" items which are often consumed shortly after purchase. Our ability to sell successfully to this distribution channel depends on aggressive marketing and maintaining relationships with key buyers.

Snack Food Products — Sales and Marketing

Snack food products are distributed across the United States. Regional sales managers perform several significant functions including identifying and developing new business opportunities and providing customer service and support to our customers. We also utilize the services of brokers, where appropriate, to support efficient product distribution and customer satisfaction.

Product Planning and Research and Development

We continually monitor the consumer acceptance of each product within our extensive product line. Individual products are regularly added to and deleted from our product line. Historically, the addition or deletion of any individual product has not had a material effect on our operations in such fiscal year. We believe that a key factor in the success of our products is our system of carefully targeted research and testing of our products to ensure high quality and that each product matches an identified market opportunity. The emphasis in new product introductions in the past several years has been in single service items. We are constantly searching to develop new products to complement our existing product lines and improve processing techniques and formulas. We utilize an in-house test kitchen and consultants to research and experiment with unique food preparation methods, improve quality control and analyze new ingredient mixtures.

Competition

Our products are sold under highly competitive conditions. All food products can be considered competitive with other food products, but we consider our principal competitors to include national, regional and local producers and distributors of refrigerated, frozen and non-refrigerated snack food products. Several of our competitors include large companies with substantially greater financial and marketing resources than ours. Existing competitors may broaden their product lines and potential competitors may enter or increase their focus on our markets, resulting in greater competition for us. We believe that our products compete favorably with those of our competitors. Such competitors' products compete against ours for retail shelf space, institutional distribution and customer preference.

Effect of Government Regulations

Our operations are subject to extensive inspection and regulation by the United States Department of Agriculture (the "USDA"), the Food and Drug Administration (the "FDA"), and by other federal, state, and local authorities regarding the processing, packaging, storage, transportation, distribution, and labeling of products that we manufacture, produce and process. Our processing facilities and products are subject to continuous inspection by the USDA and/or other federal, state, and local authorities. The USDA has issued strict regulations concerning the control of listeria monocytogenes in ready-to-eat meat and poultry products and contamination by food borne pathogens such as E. coli and salmonella and implemented a system of regulation known as the Hazard Analysis Critical Control Points ("HACCP") program. The HACCP program requires all meat and poultry processing plants to develop and implement sanitary operating procedures and other program requirements. The U.S. Occupational Safety and Health Administration ("OSHA") oversees safety compliance and establishes certain employer responsibilities to help "assure safe and healthful working conditions" and keep the workplace free of recognized hazards or practices likely to cause death or serious injury. We believe that we are currently in compliance with governmental laws and regulations and that we maintain the necessary permits and licenses relating to our operations.

To date, federal, state, and local environmental laws and regulations, including those relating to the discharge of materials into the environment, have not had a material effect on our business.

Importance of Key Customers

Sales to Wal-Mart® comprised 35.7% of revenues in fiscal year 2019 and 31.9% of total accounts receivable was due from Wal-Mart® as of November 1, 2019. Sales to Wal-Mart® comprised 36.4% of revenues in fiscal year 2018 and 31.3% of total accounts receivable was due from Wal-Mart® as of November 2, 2018. Sales to Dollar General® comprised 11.1% of revenues in fiscal year 2019 and 21.7% of total accounts receivable was due from Dollar General® as of November 1, 2019. Sales to Dollar General® comprised 9.6% of revenues in fiscal year 2018 and 23.5% of total accounts receivable was due from Dollar General® as of November 2, 2018.

Sources and Availability of Raw Materials

We purchase large quantities of pork, beef, and flour. These ingredients are generally available from a number of different suppliers although the availability of these ingredients is subject to seasonal variation. We build ingredient inventories to take advantage of downward trends in seasonal prices or anticipated supply limitations.

Most flour purchases are made at market price without contracts. We also purchase bulk flour under short-term fixed price contracts at current market prices. The contracts are usually effective for a month or less and are not material to our operations. These contracts are settled within a month's time and no significant contracts remain open at the close of the reporting period. We monitor and manage our ingredient costs to help negate volatile daily swings in market prices when possible. We do not participate in the commodity futures market or hedging to limit commodity exposure.

Employees

We had 564 employees as of November 1, 2019, approximately 38% of whose employment relationship is governed by collective bargaining agreements. These agreements currently expire between May 2019 and March 2022. We believe that our relationship with all of our employees is favorable and contracts will be settled favorably.

Executive Officers of the Registrant

The names, ages, and positions of all our executive officers as of January 17, 2020 are listed below. William L. Bridgford is the nephew of Allan L. Bridgford. Officers are normally appointed annually by the Board of Directors at their meeting immediately following the annual meeting of shareholders. Three executive officers are full-time employees of our company. Allan L. Bridgford worked 50% of full time during fiscal year 2019.

Name	Age	Position(s) with our company
Allan L. Bridgford	84	Vice President and Chairman of the Executive Committee
William L. Bridgford	65	Chairman and member of the Executive Committee
John V. Simmons	64	President and member of the Executive Committee
Raymond F. Lancy	66	Chief Financial Officer, Executive Vice President, Treasurer and member of the Executive Committee

Item 1A. Risk Factors

In addition to the other matters set forth in this Report, the continuing operations and the price of our common stock are subject to the following risks, each of which could materially adversely affect our business, financial condition, and results of operations. The risks described below are only the risks that we currently believe are material to our business. However, additional risks not presently known, or risks that are currently believed to be immaterial, may also impair our business operations.

We are subject to general risks in the food industry, including, among other things, risk relating to changes in consumer preferences and product contamination as well as general economic conditions, any of which risks, if realized, could negatively impact our operating results and financial position.

The food industry, and the markets within the food industry in which we compete, are subject to various risks, including the following: evolving consumer preferences, nutritional and health-related concerns, federal, state and local food inspection and processing controls, consumer product liability claims, risks of product tampering, and the availability and expense of liability insurance. The meat and poultry industries are subject to scrutiny due to the association of meat and poultry products with recent outbreaks of illness, and on rare occasions even death, caused by food borne pathogens. Product recalls are sometimes required in the food industry to withdraw contaminated or mislabeled products from the market. Additionally, the failure to identify and react appropriately to changes in consumer trends, demands and preferences could lead to, among other things, reduced demand and price reduction for our products. Further, we may be adversely affected by changes in domestic or foreign economic conditions, including inflation or deflation, interest rates, availability of capital markets, consumer spending rates, and energy availability and costs (including fuel surcharges). These and other general risks related to the food industry, if realized by us, could have a significant adverse effect on demand for our products, as well as the costs and availability of raw materials, ingredients and packaging materials, thereby negatively affecting our operating results and financial position.

Fluctuations in the prices that we pay for raw materials could negatively impact our financial results.

We purchase large quantities of commodity pork, beef and flour. Historically, market prices for products we process have fluctuated in response to a number of factors, including changes in the United States government farm support programs, changes in international agricultural and trading policies, weather, and other conditions during the growing and harvesting seasons. Our operating results are heavily dependent upon the prices paid for raw materials. The marketing of our value-added products does not lend itself to instantaneous changes in selling prices. Changes in selling prices are relatively infrequent and do not compare with the volatility of commodity markets. While fluctuations in significant cost structure components, such as ingredient commodities and fuel prices, have had a significant impact on profitability over the last three years, the impact of general price inflation on our financial position and results of operations has not been significant. Future volatility of general price inflation or deflation and raw material cost and availability could adversely affect our financial results.

We are subject to extensive government regulations and a failure to comply with such regulations could negatively impact our financial results.

Our operations are subject to extensive inspection and regulation by the USDA, FDA and by other federal, state, and local authorities regarding the processing, packaging, storage, transportation, distribution, and labeling of products that are manufactured, produced and processed by us. Our processing facilities and products are subject to continuous inspection by the USDA and/or other federal, state, and local authorities. The USDA has issued strict regulations concerning the control of listeria monocytogenes in ready-to-eat meat and poultry products and contamination by food borne pathogens such as E. coli and salmonella and implemented a system of regulation known as the HACCP program. The HACCP program requires all meat and poultry processing plants to develop and implement sanitary operating procedures and other program requirements. OSHA oversees safety compliance and establishes certain employer responsibilities to help "assure safe and healthful working conditions" and keep the workplace free of recognized hazards or practices likely to cause death or serious injury. We believe that we are currently in compliance with governmental laws and regulations and that we maintain necessary permits and licenses relating to our operations.

A failure to obtain or a loss of necessary permits and licenses could delay or prevent us from meeting current product demand and could adversely affect our operating performance. Furthermore, we are routinely subject to new or modified laws, regulations and accounting standards. If found to be out of compliance with applicable laws and regulations in these or other areas, we could be subject to civil remedies, including fines, injunctions, recalls, or asset seizures, as well as potential criminal sanctions, any of which could have a significant adverse effect on our financial results.

We depend on our key management, the loss of which could negatively impact our operations.

Our executive officers and certain other key employees have been primarily responsible for the development and expansion of our business, and the loss of the services of one or more of these individuals could adversely affect us. Our success will be dependent in part upon our continued ability to recruit, motivate, and retain qualified personnel. We cannot assure that we will be successful in this regard. We have no employment or non-competition agreements with key personnel except for a consulting agreement with Allan L. Bridgford that is effective after his retirement from employment with our company.

We depend on our major customers and any loss of such customers could have a negative impact on our profitability.

We could suffer significant reductions in revenues and operating income if we lost one or more of our largest customers, including Wal-Mart® and Dollar General®, which accounted for 35.7% and 11.1%, respectively, of sales in fiscal year 2019. Many of our customers, such as supermarkets, warehouse clubs, and food distributors have consolidated in recent years. Such consolidation has produced large, sophisticated customers with increased buying power who are more capable of operating with reduced inventories while demanding lower pricing and increased promotional programs. These customers also may use their shelf space for their own private label products. Failure to respond to these trends could reduce our volume and cause us to lower prices or increase promotional spending for our product lines which could adversely affect our profitability.

With more than 80% of our stock beneficially owned by the Bridgford family, there are risks that they can exert significant influence or control over our corporate matters.

Members of the Bridgford family beneficially own, in the aggregate, more than 80% of our outstanding stock. In addition, three members of the Bridgford family currently serve on the Board of Directors. As a result, members of the Bridgford family have the ability to exert substantial influence or actual control over our management and affairs and over substantially all matters requiring action by our shareholders, including amendments to by-laws, election and removal of directors, any proposed merger, consolidation or sale of all or substantially all of our assets and other corporate transactions. This concentration of ownership may also delay or prevent a change in control otherwise favored by our other shareholders and could depress our stock price. Additionally, as a result of the Bridgford family's significant ownership of the outstanding voting stock, we have relied on the "controlled company" exemption from certain corporate governance requirements of the NASDAQ stock market. Therefore, among other things, we have elected not to implement the rule that provides for a nominating committee to identify and recommend nominees to the Board of Directors and have instead elected to have the full Board of Directors perform such function. Additionally, pursuant to this exemption, our compensation committee, which is made up of independent directors, does not have sole authority to determine the compensation of our executive officers, including our Chairman of the Board.

We participate in Multiemployer Pension Plans which could negatively impact our operations and profitability.

We participate in "multiemployer" pension plans administered by labor unions on behalf of their employees. We make monthly contributions for healthcare and pension benefit obligations. The contribution amount may change depending upon the ability of participating companies to fund these pension liabilities as well as the actual and expected returns on pension plan assets. Should we withdraw from the union and cease participation in a union plan, federal law could impose a penalty for additional contributions to the plan. The penalty would be recorded as an expense in the consolidated statement of operations. The ultimate amount of the withdrawal liability is dependent upon several factors including the funded status of the plan and contributions made by other participating companies. We continue to participate in other multiemployer union plans. In the event of a full or partial withdrawal from these plans, the impact to our financial statements could be material.

Eminent domain and land risk regulations could negatively impact our financial results and financial position.

We own real property on which we operate our processing and/or our distribution operations. As is the case with any owner of real property, we may be subject to eminent domain proceedings that can impact the value of investments we have made in real property as well as potentially disrupt our business operations. If subject to eminent domain proceedings or other government takings, we may not be adequately compensated.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

We own the following properties:

Property Location	**Building Square Footage**	**Acreage**
Anaheim, California *	100,000	5.0
Dallas, Texas *	94,000	4.0
Dallas, Texas *	30,000	2.0
Dallas, Texas *	16,000	1.0
Dallas, Texas *	3,200	1.5
Statesville, North Carolina *	42,000	8.0
Chicago, Illinois **	156,000	1.5
Chicago, Illinois **	177,000	8.0

* - property used by Frozen Food Products Segment

** - property used by Snack Food Products Segment

We utilize the foregoing properties for processing, warehousing, distributing and administrative purposes. We also lease warehouse and/or office facilities throughout the United States through month-to-month rental agreements. We believe that our properties are generally adequate to satisfy our foreseeable needs. Additional properties may be acquired and/or plants expanded if favorable opportunities and conditions arise.

Item 3. Legal Proceedings

No material legal proceedings were pending against us as of November 1, 2019 or as of the date of filing of this Report. We are likely to be subject to claims arising from time to time in the ordinary course of our business. In certain of such actions, plaintiffs may request punitive or other damages that may not be covered by insurance and, accordingly, no assurance can be given with respect to the ultimate outcome of any such possible future claims or litigation or their effect on us. Any adverse litigation trends and outcomes could significantly and negatively affect our financial results.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock and Dividend Data

Our common stock is traded in the national over-the-counter market and is authorized for quotation on the Nasdaq Global Market under the symbol "BRID".

As of January 16, 2020, there were 721 shareholders of record in our common stock.

The payment of future dividends, if any, will be at the discretion of our Board of Directors and will depend upon future earnings, financial requirements, and other factors.

Unregistered Sales of Equity Securities

During the period covered by this Report, we did not sell or issue any equity securities that were not registered under the Securities Act of 1933, as amended.

Repurchases of Equity Securities by the Issuer

During fiscal year 2019, we did not repurchase any shares of our common stock pursuant to our stock repurchase program previously authorized by the Board of Directors. The following table provides information regarding our repurchases of common stock in each of the four periods comprising the fourth quarter of fiscal year 2019.

Period (1)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
July 13, 2019 – August 9, 2019	-	$ -	-	120,113
August 10, 2019 – September 6, 2019	-	-	-	120,113
September 7, 2019 – October 4, 2019	-	-	-	120,113
October 5, 2019 – November 1, 2019	-	-	-	120,113
Total	-	$ -	-	

(1) The periods shown are our fiscal periods during the sixteen-week quarter ended November 1, 2019.

(2) All repurchases reflected in the foregoing table were made on the open market. Our stock repurchase program was approved by the Board of Directors in November 1999 (1,500,000 shares authorized, disclosed in a Form 10-K filed on January 26, 2000) and was expanded in June 2005 (500,000 additional shares authorized, disclosed in a press release and Form 8-K filed on June 17, 2005). Under the stock repurchase program, we are authorized, at the discretion of management and the Board of Directors, to purchase up to an aggregate of 2,000,000 shares of our common stock on the open market. Such purchases of common stock may occur from time to time, in open market transactions pursuant to Rule 10b-18 of the Exchange Act. The daily purchase quantity is defined as a number of shares up to, but not to exceed, each day's applicable Rule 10b-18 maximum volume limit (i.e. 25% of the prior four calendar weeks' average daily trading volume); however, once per week a block of stock may be purchased that exceeds the Rule 10b-18 average daily trading volume condition. As of November 1, 2019, the total maximum number of shares that may be purchased under the Purchase Plan is 120,113 at a purchase price not to exceed $10.00 per share for a total maximum aggregate price (exclusive of commission) of $1,201,130.

Item 6. Selected Financial Data

Not applicable for a smaller reporting company.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a complete understanding, this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Consolidated Financial Statements and Notes to the Consolidated Financial Statements contained in this Report.

Certain statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Report constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934 (refer to Part I., Item 1. Business for more information).

Results of Operations (in thousands except percentages)

Fiscal Year Ended November 1, 2019 (52 weeks) Compared to Fiscal Year Ended November 2, 2018 (52 weeks)

Net Sales-Consolidated

Net sales in fiscal year 2019 increased $14,528 (8.3%) when compared to the prior fiscal year. The changes in net sales were comprised as follows:

Impact on Net Sales-Consolidated	%	$
Selling price per pound	2.7	4,991
Unit sales volume in pounds	6.8	12,582
Returns activity	-0.2	(589)
Promotional activity	-1.0	(2,456)
Increase in net sales	8.3	14,528

Net Sales-Frozen Food Products Segment

Net sales in the Frozen Food Products segment in fiscal year 2019 increased $3,968 (8.4%) compared to the prior fiscal year. The changes in net sales were comprised as follows:

Impact on Net Sales-Frozen Food Products	%	$
Selling price per pound	4.5	2,356
Unit sales volume in pounds	5.3	2,788
Returns activity	-0.2	(125)
Promotional activity	-1.2	(1,051)
Increase in net sales	8.4	3,968

The increase in net sales in fiscal year 2019 was attributable to higher unit sales volume and higher selling price per pound. The increase in net sales was primarily driven by a significant increase in volume in our shelf-stable sandwich business to institutional and retail customers. Other institutional Frozen Food Product sales, including sheet dough and rolls, increased 3% by volume while retail sales volume decreased 4%. Changes in returns were slightly higher compared to the prior fiscal year. Promotional activity increased due to higher bid price reductions, rebates and menu allowances as a percentage of sales.

Net Sales-Snack Food Products Segment

Net sales in the Snack Food Products segment in fiscal year 2019 increased $10,560 (8.3%) compared to the prior fiscal year. The changes in net sales were comprised as follows:

Impact on Net Sales-Snack Food Products	%	$
Selling price per pound	2.0	2,635
Unit sales volume in pounds	7.3	9,794
Returns activity	-0.2	(463)
Promotional activity	-0.8	(1,406)
Increase in net sales	8.3	10,560

The increase in net sales in fiscal year 2019 was attributable to a significant increase in new product offerings including smokehouse sausage sticks introduced during the second quarter of fiscal year 2018. The increase in net sales occurred mainly in our direct store delivery distribution channel while warehouse shipments decreased. The weighted average selling price per pound increased compared to the prior fiscal year due to higher per pound selling prices for new items. Promotional offers increased corresponding to the increase in unit sales volume. Returns activity increased slightly compared to the 2018 fiscal year.

Cost of Products Sold and Gross Margin-Consolidated

Cost of products sold from continuing operations increased by $9,370 (8.0%) compared to the prior fiscal year. Higher unit sales volume in the Snack Food Products segment was the primary contributing factor to the increase in cost of products sold. Overhead spending increased due to significant increases in hourly wages and bonus, insurance expenses, repairs and maintenance, healthcare expenses and indirect operating supplies. Costs related to an additional production facility currently under construction also increased overhead expenses. A decrease in commodity costs during fiscal year 2019 partially offset the increase in cost of goods sold. The gross margin increased from 32.4% to 32.7% during fiscal year 2019 compared to the prior fiscal year.

Change in Cost of Products Sold by Segment	$	%	Commodity $ Decrease
Frozen Food Products Segment	2,452	2.1	(111)
Snack Food Products Segment	6,918	5.9	(1,725)
Total	9,370	8.0	(1,836)

Cost of Products Sold and Gross Margin–Frozen Food Products Segment

Cost of products sold in the Frozen Food Products segment increased by $2,452 (7.9%) to $33,444 in fiscal year 2019 compared to the prior fiscal year. Increased volume and changes in product mix were the primary contributing factors to the increase. Cost of products sold was partially offset by lower flour commodity costs of approximately $111. The gross margin percentage increased from 34.4% to 34.7% during fiscal year 2019 compared to the prior fiscal year.

Cost of Products Sold and Gross Margin–Snack Food Products Segment

Cost of products sold in the Snack Food Products segment increased by $6,918 (8.0%) compared to the prior fiscal year due primarily to a substantial increase in sales volume. Higher hourly wages including increased production labor impacted the cost of products sold as did higher healthcare, insurance and repair and maintenance expense. The cost of meat commodities decreased approximately $1,725 during fiscal year 2019 compared to the prior fiscal year. The gross margin earned in this segment increased from 31.7% to 31.9% during fiscal year 2019 primarily as a result of lower commodity costs.

Selling, General and Administrative Expenses-Consolidated

Selling, general and administrative expenses ("SG&A") in fiscal year 2019 increased $2,908 (5.8%) when compared to the prior fiscal year. The increase in this category did not directly correspond to the change in sales.

The table below summarizes the primary expense variances in this category:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)	Expense Increase (Decrease)
Wages and bonus	$ 23,399	$ 21,212	$ 2,187
Pension costs	232	956	(724)
Insurance	1,116	487	629
Repairs and maintenance "SQF" expense	31	567	(536)
Healthcare costs	3,091	2,661	430
Travel	2,397	2,113	284
Product advertising	6,303	6,136	167
Other income/expense	3	(158)	161
Cash surrender value gains	(666)	(816)	150
Other SG&A	16,931	16,771	160
Total - SG&A	52,837	49,929	2,908

Higher profit-sharing accruals resulted in higher wages and bonus expense in fiscal year 2019 compared to the prior year. The decrease in pension expense was due to higher pension discount rates being used to compute the future liability estimate. Insurance costs increased due to higher claim activity and the addition of a new production and warehousing facility. Repairs and maintenance expense decreased as the Company prepared its Chicago facility in fiscal year 2018 to comply with Food Safety Certification requirements created and managed by the SQF Institute. Healthcare benefit expense has increased due to recent unfavorable claim activity compared to fiscal year 2018. Travel expenses increased due to research related to construction of the new plant as well as increased travel by business development managers. Costs for product advertising increased mainly as a result of higher payments under brand licensing agreements in the Snack Food Products segment during fiscal year 2019. Other income/expense increased due to a miscellaneous gain that did not reoccur in the current fiscal year. The gain on cash surrender value of life insurance policies decreased substantially due to lower stock market gains compared to fiscal year 2018. The major components comprising the increase of "Other SG&A" expenses were outside consulting fees, utilities and property taxes.

Selling, General and Administrative Expenses-Frozen Food Products Segment

SG&A expenses in the Frozen Food Products segment increased by $641 (4.5%) to $14,867 during fiscal year 2019 compared to the prior fiscal year. The overall increase in SG&A expenses was due to higher unit sales volume, profit-sharing accruals and product advertising.

Selling, General and Administrative Expenses-Refrigerated and Snack Food Products Segment

SG&A expenses in the Snack Food Products segment increased by $2,267 (6.3%) to $37,970 during fiscal year 2019 compared to the prior fiscal year. Most of the increase was due to higher unit sales volume in pounds and higher expenses related to wages and bonuses including an increase in sales commissions.

Gain on Sale of Property, Plant and Equipment

On March 7, 2018, the Company sold a parcel of land in Chicago, Illinois for approximately $5,977 and recognized a non-recurring pre-tax gain in fiscal year 2018. The cost basis of the land was insignificant. Any gain or loss during fiscal year 2019 was due to ordinary gain or loss on disposal of assets.

Income Taxes

The Company's effective income tax rate was 24.0% and 49.1% in fiscal years 2019 and 2018, respectively. In fiscal year 2019, the effective income tax rate differed from the applicable mixed statutory rate of approximately 23.1% primarily due to tax reform adjustment of deferred income taxes, the Domestic Production Activities Deduction and a change in the liability on unrecognized benefits related to research and development tax credits (refer to Note 4 of Notes to the Consolidated Financial Statements for more information).

Liquidity and Capital Resources (in thousands except share amounts, percentages and ratios)

The principal source of our operating cash flow is cash receipts from the sale of our products, net of costs to manufacture, store, market and deliver such products. We normally fund our operations from cash balances and cash flow generated from operations. We borrowed $7,500 during the first quarter of fiscal year 2019 to purchase specific equipment for our new Chicago processing facility. We borrowed a second $7,500 subsequent to the end of the second quarter of fiscal year 2019. Historically, we expect positive operating cash flows in the first quarter of our fiscal year from the liquidation of inventory and accounts receivable balances related to holiday season sales. Anticipated commodity price trends may affect future cash balances. Certain commodities may be purchased in advance of our immediate needs to lower the ultimate cost of processing.

Cash flows from operating activities:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Net income	$ 6,484	$ 6,517
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,153	3,940
Provision for losses on accounts receivable	44	24
(Provision for) reduction in promotional allowances	(852)	94
Loss (Gain) on sale of property, plant and equipment	290	(6,236)
Deferred income taxes, net	1,889	4,940
Changes in operating working capital	(4,761)	(1,014)
Net cash provided by operating activities	$ 7,247	$ 8,265

For the fifty-two weeks ended November 1, 2019, net cash provided by operating activities was $7,247, a decrease of $1,018 compared to the fifty-two weeks ended November 1, 2018. The net decrease in cash provided by operating activities primarily related to an increase in inventory of $2,954, lower net income of $6,484 and deferred income taxes of $1,889 partially offset by an increase in the current portion of non-current liabilities of $1,643 and payments for estimated taxes of $697. During fiscal year 2019, we funded $875 towards our defined benefit pension plan. Plan funding strategies may be adjusted depending upon economic conditions, investment options, tax deductibility, or legislative changes in funding requirements.

Our cash conversion cycle (defined as days of inventory and trade receivables less days of trade payables outstanding) was equal to 67 days for the fifty-two weeks ended November 1, 2019 and 64 days for the fifty-two weeks ended November 2, 2018. Significant customers increased the length of payment terms during fiscal year 2018 which increased the prior fiscal year's cash conversion cycle.

For the fifty-two weeks ended November 2, 2018, net cash provided by operating activities was $8,265. This result was primarily related to net income and a decrease in non-current liabilities. During fiscal year 2018, we funded $3,150 towards our defined benefit pension plan.

Cash used in investing activities:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Proceeds from sale of property, plant and equipment	$ 61	$ 6,035
Additions to property, plant and equipment	(25,739)	(18,147)
Net cash used in investing activities	$ (25,678)	$ (12,112)

Expenditures for property, plant and equipment include the acquisition of equipment, upgrading of facilities to maintain operating efficiency and investments in cost effective technologies to lower costs. In general, we capitalize the cost of additions and improvements and expense the cost for repairs and maintenance. We may also capitalize costs related to improvements that extend the life, increase the capacity, or improve the efficiency of existing machinery and equipment. Specifically, capitalization of upgrades of facilities to maintain operating efficiency include acquisitions of machinery and equipment used on packaging lines and refrigeration equipment used to process food products.

The table below highlights the additions to property, plant and equipment for the fifty-two weeks ended:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Land	$ -	$ 55
Building	-	141
Building improvements	10,103	702
Leasehold improvements	-	9
Temperature control	3,285	-
Processing equipment	2,019	7,915
Packaging lines	2,641	181
Vehicles for sales and/or delivery	1,585	953
Quality control and communication systems	156	43
Computer software and hardware	861	18
Forklifts	57	253
Change in projects in process	5,032	7,877
Additions to property, plant and equipment	$ 25,739	$ 18,147

Expenditures for additions to property, plant and equipment during the fifty-two weeks ended November 1, 2019 include projects in process of $13,723 related to the new facility in Chicago.

Cash provided by (used in) financing activities:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Payments of capital lease obligations	$ (17)	$ (83)
Proceeds from bank borrowings	17,000	-
Repayments of bank borrowings	(3,253)	-
Net cash provided by (used in) financing activities	$ 13,730	$ (83)

Our stock repurchase program was approved by the Board of Directors in November 1999 and was expanded in June 2005. Under the stock repurchase program, we were authorized, at the discretion of management and the Board of Directors, to purchase up to an aggregate of 2,000,000 shares of our common stock on the open market. As of the end of fiscal year 2019, 120,113 shares remained authorized for repurchase under the program. However, our agreement with Citigroup lapsed on its own (by its terms) on October 14, 2019.

We invested in OTR (over-the-road) tractors during fiscal year 2012 financed by a capital lease obligation in the amount of $1,848. The total capital lease obligation was settled as of November 1, 2019 with no remaining lease liability. We bought several of the tractors and converted to month-to-month arrangements on other tractors as needed. We plan to invest in new capital lease arrangements in fiscal 2020.

We maintain a line of credit with Wells Fargo Bank, N.A. that expires on March 1, 2020. Under the terms of this line of credit, we may borrow up to $7,500 at an interest rate equal to the bank's prime rate or Libor plus 1.5%. The borrowing agreement contains various covenants, the more significant of which require us to maintain a minimum tangible net worth, a minimum quick ratio, a minimum net income after tax and total capital expenditures less than $7,500. The Company was in violation of the capital expenditure covenant which was subsequently waived by letter dated December 16, 2019. The Company was in compliance with all other covenants as of November 1, 2019.

On December 26, 2018, we entered into a master collateral loan and security agreement with Wells Fargo Bank, N.A for up to $15,000 in equipment financing. Pursuant to the loan agreement, we made two borrowings of $7,500 each, to purchase specific equipment for our new Chicago processing facility at a fixed rate of 4.13% and 3.98%, respectively, per annum. The loan terms are seven years and are secured by the purchased equipment. The first funding of $7,500 was received on December 28, 2018. The second funding was received on April 23, 2019. The master collateral loan and security agreement with Wells Fargo Bank, N.A. contains various affirmative and negative covenants that limit the use of funds and define other provisions of the loan. The main financial covenants are listed below:

- Total Liabilities divided by Tangible Net Worth (as defined) not greater than 2.5 to 1.0 at each fiscal quarter,
- Quick Ratio (as defined) not less than 1.0 to 1.0 at each fiscal quarter end, and
- Net income after taxes not less than one dollar on a quarterly basis, determined as of each fiscal quarter end.

The Company was in compliance with all covenants under the master collateral loan and security agreement as of November 1, 2019.

Impact of Inflation

Our operating results are heavily dependent upon the prices paid for raw materials. The marketing of our value-added products does not lend itself to instantaneous changes in selling prices. Changes in selling prices are relatively infrequent and do not compare with the volatility of commodity markets. While fluctuations in significant cost structure components, such as ingredient commodities and fuel prices, have had a significant impact on profitability over the last two fiscal years, the impact of general price inflation on our financial position and results of operations has not been significant. However, future volatility of general price inflation or deflation and raw material cost and availability could adversely affect our financial results.

Management is of the opinion that our strong financial position and our capital resources are sufficient to provide for our operating needs and capital expenditures for fiscal year 2020.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements within the meaning of Item 303(a)(4) of Regulation S-K.

Contractual Obligations

We had no other debt or other contractual obligations within the meaning of Item 303(a)(5) of Regulation S-K, as of November 1, 2019.

Our expected future liability related to construction of the new Chicago processing facility for the purchase of smokehouses and chillers is approximately $13,900 as of January 8, 2020.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the respective reporting periods. Actual results could differ from those estimates. Amounts estimated related to liabilities for self-insured workers' compensation, employee healthcare and pension benefits are especially subject to inherent uncertainties and these estimated liabilities may ultimately settle at amounts not originally estimated. We record promotions, returns allowances, bad debt and inventory allowances based on recent and historical trends. Management believes its current estimates are reasonable and based on the best information available at the time.

Disclosure concerning our policies on credit risk, revenue recognition, cash surrender or contract value for life insurance policies, deferred income tax and the recoverability of our long-lived assets are provided in Notes 1 and 4 of the Notes to the Consolidated Financial Statements.

Recently Issued Accounting Pronouncements and Regulations

Various accounting standard-setting bodies have been active in soliciting comments and issuing statements, interpretations and exposure drafts. For information on new accounting pronouncements and the impact, if any, on our financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable for a smaller reporting company.

Item 8. Consolidated Financial Statements and Supplementary Data

The consolidated financial statements required by this Item are set forth in Part IV, Item 15 of this Report.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of disclosure controls and procedures

Our management, with the participation and under the supervision of our Chairman and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this Report. Based on this evaluation, the Chairman and Chief Financial Officer have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this Report in their design and operation to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, and recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms to allow timely decisions regarding required disclosures.

Our management, including our Chairman and Chief Financial Officer, does not expect that our disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

We maintain and evaluate a system of internal accounting controls, and a program designed to provide reasonable assurance that our assets are protected and that transactions are performed in accordance with proper authorization and are properly recorded. This system of internal accounting controls is continually reviewed and modified in response to evolving business conditions and operations and to recommendations made by our independent registered public accounting firm. We have established a code of conduct. Our management believes that the accounting and internal control systems provide reasonable assurance that assets are safeguarded, and financial information is reliable.

The Audit Committee of the Board of Directors meets regularly with our financial management and counsel, and with the independent registered public accounting firm engaged by us. Internal accounting controls and the quality of financial reporting are discussed during these meetings. The Audit Committee has discussed with the independent registered public accounting firm matters required to be discussed by Statement of Auditing Standards No. 16 (Communication with Audit Committees). In addition, the Audit Committee and the independent registered public accounting firm have discussed the independent registered public accounting firm's independence from our Company and its management, including the matters in the written disclosures required by Public Company Accounting Oversight Board Rule 3526 "Communicating with Audit Committees Concerning Independence".

Changes in Internal Control over Financial Reports

There has been no change in our internal control over financial reporting during the last fiscal quarter covered by this Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Section 404 of the Sarbanes-Oxley Act of 2002

In order to comply with the Sarbanes-Oxley Act of 2002, we have undertaken and continue a comprehensive effort, which includes the documentation and review of our internal controls. In order to comply with the Sarbanes-Oxley Act, we centralized most accounting and many administrative functions at our corporate headquarters in an effort to control the cost of maintaining our control systems.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law by the President on July 21, 2010, permanently exempts small public companies with less than $75 million in public float, such as the Company, from the requirement to obtain an external audit on the effectiveness of internal financial reporting controls provided in Section 404(b) of the Sarbanes-Oxley Act. As a result, an attestation report on internal controls over financial reporting by an independent registered public accounting firm has not been presented. Section 404(a) is still effective for smaller public companies and requires the disclosure of management attestations on internal controls over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management conducted an evaluation of the effectiveness of the internal controls over financial reporting based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework (2013) and related illustrative documents as an update to Internal Control-Integrated Framework (1992). Management determined that the 17 principles were present and functioning during its assessment of the effectiveness of our internal controls. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting for our fiscal year ended November 1, 2019. Based on management's assessment and the above-referenced criteria, management believes that the internal control over financial reporting for our fiscal year ended November 1, 2019 was effective.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included in the Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year ended November 1, 2019 and is incorporated herein by reference. Information concerning our executive officers is set forth in Part I, Item 1 of this Report under the heading "Executive Officers of the Registrant".

Item 11. Executive Compensation

The information required by this item will be included in the Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year ended November 1, 2019 and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be included in the Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year ended November 1, 2019 and is incorporated herein by reference.

Equity Compensation Plan Information

Not applicable, as we do not have any compensation plans under which our equity securities are authorized for issuance.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be included in the Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year ended November 1, 2019 and is incorporated herein by reference.

We are considered a "controlled company" within the meaning of Rule 5615(c)(1) of the NASDAQ Listing Rules based on the approximate 80% beneficial ownership of our outstanding common stock by Bridgford Industries Incorporated and are therefore exempted from various NASDAQ Listing Rules pertaining to certain "independence" requirements of our directors. Nevertheless, the Board of Directors has determined that Messrs. Andrews, Scott and Ms. Schott who together comprise the Audit Committee and the Compensation Committee, are all "independent directors" within the meaning of Rule 5605 of the NASDAQ Listing Rules.

Our general legal counsel is the son of the former senior chairman of the Board of Directors. As legal counsel to the Board and the Compensation Committee, he currently is paid a fee of $2,380 for each meeting attended. Total fees paid under this arrangement for fiscal year 2019 were approximately $22,600. Legal services are performed on our behalf and billed by a firm in which he is a partner. Total fees billed under this arrangement for fiscal year 2019 were approximately $74,500.

Director Allan Bridgford Jr., son of the former senior chairman of the Board of Directors, is providing consulting services to the Chicago plant and management. The contract on behalf of the Company with Allan Bridgford Jr. is for consulting services at $1,200 per day. Total fees billed under this arrangement for fiscal year 2019 were approximately $207,000. As a member of the Board of Directors, he was paid a fee of $2,380 for each meeting attended during fiscal year 2019. Total fees paid under this arrangement for fiscal year 2019 were $23,640. Under an arrangement with Allan Bridgford Jr., we accrued approximately $481,500 of profit sharing based on fiscal year 2019 profitability to be paid out in three installments equally over the next three years.

Director Keith Ross currently provides real estate consulting services to the Board and management. He was paid a fee of $2,380 for each Board meeting attended and was paid an aggregate of $23,640 for meetings attended during fiscal year 2019. No fees were paid during fiscal year 2019 for consulting services.

Item 14. Principal Accounting Fees and Services

The information required by this item will be included in the Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after the end of our fiscal year ended November 1, 2019 and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) *Financial Statements*. The following documents are filed as a part of this Report:

(2) *Financial Statement Schedules*

Not applicable for a smaller reporting company.

(3) *Exhibits*

(a) *The exhibits below are filed or incorporated herein by reference.*

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Restated Articles of Incorporation, as amended.	10-K	000-02396	3.4	01/18/19	
3.2	Amended and Restated Bylaws.	10-K/A	000-02396	3.7	02/09/18	
4.1	Description of Capital Stock of the Registrant					X
10.1*	Bridgford Foods Corporation Defined Benefit Pension Plan.	10-K	000-02396	10.1	01/18/19	
10.2*	Bridgford Foods Corporation Supplemental Executive Retirement Plan.	10-K	000-02396	10.2	01/18/19	
10.3*	Bridgford Foods Corporation Deferred Compensation Savings Plan.	10-K	000-02396	10.3	01/18/19	
10.4*	Consulting Agreement, dated August 12, 2019, between the Registrant and Allan L. Bridgford Sr.	8-K	000-02396	10.1	08/16/19	
21.1	Subsidiaries of the Registrant.					X
24.1	Power of Attorney (included as part of the signature page).					X
31.1	Certification of Principal Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Principal Executive Officer).					X
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Principal Financial Officer).					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X

* Each of these Exhibits constitutes a management contract, compensatory plan or arrangement.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRIDGFORD FOODS CORPORATION

By: */s/ WILLIAM L. BRIDGFORD*
William L. Bridgford
Chairman of the Board

Date: January 24, 2020

POWER OF ATTORNEY

We, the undersigned directors and officers of Bridgford Foods Corporation, do hereby constitute and appoint William L. Bridgford and Raymond F. Lancy, or either of them, with full power of substitution and resubstitution, our true and lawful attorneys and agents, to do any and all acts and things in our name and behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, or their substitutes, may deem necessary or advisable to enable said corporation to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in connection with this Annual Report on Form 10-K, including specifically, but without limitation, power and authority to sign for us or any of us in our names and in the capacities indicated below, any and all amendments; and we do hereby ratify and confirm all that the said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ WILLIAM L. BRIDGFORD **William L. Bridgford**	Chairman of the Board (Principal Executive Officer)	January 24, 2020
/s/ JOHN V. SIMMONS **John V. Simmons**	President and Director	January 24, 2020
/s/ RAYMOND F. LANCY **Raymond F. Lancy**	Chief Financial Officer, Executive Vice President, Treasurer, Assistant Secretary and Director (Principal Financial and Accounting Officer)	January 24, 2020
/s/ ALLAN L. BRIDGFORD SR. **Allan L. Bridgford Sr.**	Director	January 24, 2020
/s/ TODD C. ANDREWS **Todd C. Andrews**	Director	January 24, 2020
/s/ ALLAN BRIDGFORD JR. **Allan Bridgford Jr.**	Director	January 24, 2020
/s/ D. GREGORY SCOTT **D. Gregory Scott**	Director	January 24, 2020
/s/ KEITH A. ROSS **Keith A. Ross**	Director	January 24, 2020
/s/ MARY SCHOTT **Mary Schott**	Director	January 24, 2020

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
Bridgford Foods Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Bridgford Foods Corporation and its subsidiaries (the Company) as of November 1, 2019 and November 2, 2018, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of November 1, 2019 and November 2, 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Squar Milner LLP

We have served as the Company's auditor since 2009.

Irvine, California
January 24, 2020

BRIDGFORD FOODS CORPORATION
CONSOLIDATED BALANCE SHEETS
November 1, 2019 and November 2, 2018
(in thousands, except per share amounts)

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,478	$ 8,179
Accounts receivable, less allowance for doubtful accounts of $31 and $33, respectively and promotional allowances of $2,974 and $2,122, respectively	21,875	20,293
Inventories, net	26,367	23,413
Prepaid expenses	1,048	1,331
Total current assets	52,768	53,216
Property, plant and equipment, net of accumulated depreciation and amortization of $54,015 and $66,337, respectively	54,346	32,638
Other non-current assets	12,295	11,630
Deferred income taxes	4,047	4,010
Total assets	$ 123,456	$ 101,494
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,993	$ 7,655
Accrued payroll, advertising and other expenses	5,480	4,577
Income taxes payable	90	155
Current notes payable – equipment (Note 5)	1,943	-
Current portion of non-current liabilities	4,434	5,980
Total current liabilities	19,940	18,367
Long-term notes payable – equipment (Note 5)	11,804	-
Non-current liabilities	25,228	17,447
Total liabilities	56,972	35,814
Contingencies and commitments (Notes 3, 5 and 6)		
Shareholders' equity:		
Preferred stock, without par value; Authorized, - 1,000 shares; issued and outstanding – none	-	-
Common stock, $1.00 par value; Authorized, - 20,000 shares; issued and outstanding – 9,076	9,134	9,134
Capital in excess of par value	8,298	8,298
Retained earnings	72,432	65,948
Accumulated other comprehensive loss	(23,380)	(17,700)
Total shareholders' equity	66,484	65,680
Total liabilities and shareholders' equity	$ 123,456	$ 101,494

See accompanying notes to consolidated financial statements.

BRIDGFORD FOODS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the fiscal years ended November 1, 2019 and November 2, 2018
(in thousands, except share and per share amounts)

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Net sales	$ 188,785	$ 174,257
Cost of products sold	127,121	117,751
Gross margin	61,664	56,506
Selling, general and administrative expenses	52,837	49,929
Loss (gain) on sale of property, plant and equipment	290	(6,236)
Income before taxes	8,537	12,813
Provision for income taxes	2,053	6,296
Net income	$ 6,484	$ 6,517
Basic earnings per share	$ 0.71	$ 0.72
Shares used to compute basic earnings per share	9,076,832	9,076,832

See accompanying notes to consolidated financial statements.

BRIDGFORD FOODS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the fiscal years ended November 1, 2019 and November 2, 2018
(in thousands)

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Net income	$ 6,484	$ 6,517
Other comprehensive (loss) income from defined benefit plans	(6,632)	3,610
Other postretirement benefit plans:		
Actuarial (loss) gain	(790)	710
Prior service cost	(50)	(174)
Other comprehensive (loss) income from other postretirement benefit plans, net	(840)	536
Other comprehensive (loss) income, before taxes	(7,472)	4,146
Tax benefit (expense) on other comprehensive income	1,792	(1,021)
Change in other comprehensive (loss) income, net of tax	(5,680)	3,125
Comprehensive income, net of tax	$ 804	$ 9,642

See accompanying notes to consolidated financial statements.

BRIDGFORD FOODS CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the fiscal years ended November 1, 2019 and November 2, 2018
(in thousands)

	Shares	Amount	Capital in excess of par value	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Balance, November 3, 2017	9,076	$ 9,134	$ 8,298	$ 56,902	$ (18,296)	$ 56,038
Net income				6,517		6,517
ASU 2018-02 (Notes 1 and 4)				2,529	(2,529)	-
Net change in defined benefit plans and other benefit plans					3,125	3,125
Balance, November 2, 2018	9,076	$ 9,134	$ 8,298	$ 65,948	$ (17,700)	$ 65,680
Net income				6,484		6,484
Net change in defined benefit plans and other benefit plans, net of tax					(5,680)	(5,680)
Balance, November 1, 2019	9,076	$ 9,134	$ 8,298	$ 72,432	$ (23,380)	$ 66,484

See accompanying notes to consolidated financial statements.

BRIDGFORD FOODS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the fiscal years ended November 1, 2019 and November 2, 2018
(in thousands)

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Cash flows from operating activities:		
Net income	$ 6,484	$ 6,517
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,153	3,940
Provision for losses on accounts receivable	44	24
(Provision for) reduction in promotional allowances	(852)	94
Loss (gain) on sale of property, plant and equipment	290	(6,236)
Deferred income taxes, net	1,889	4,940
Changes in operating assets and liabilities:		
Accounts receivable	(774)	(1,263)
Inventories	(2,954)	(397)
Prepaid expenses	283	219
Refundable income taxes	-	-
Other non-current assets	(663)	1,549
Accounts payable	338	2,291
Accrued payroll, advertising and other expenses	903	22
Income taxes payable	(65)	(61)
Current portion of non-current liabilities	(1,643)	295
Non-current liabilities	(184)	(3,669)
Net cash provided by operating activities	7,247	8,265
Cash used in investing activities:		
Proceeds from sale of property, plant and equipment	61	6,035
Additions to property, plant and equipment	(25,739)	(18,147)
Net cash used in investing activities	(25,678)	(12,112)
Cash used in financing activities:		
Payment of capital lease obligations	(17)	(83)
Proceeds from bank borrowings	17,000	-
Repayments of bank borrowings	(3,253)	-
Net cash provided by (used in) financing activities	13,730	(83)
Net decrease in cash and cash equivalents	(4,701)	(3,930)
Cash and cash equivalents at beginning of year	8,179	12,109
Cash and cash equivalents at end of year	$ 3,478	$ 8,179
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 697	$ 1,726
Cash paid for interest	$ 403	-
Transportation equipment financed by lease obligations	$ 473	-

See accompanying notes to consolidated financial statements.

NOTE 1 - ***The Company and Summary of Significant Accounting Policies:***

Bridgford Foods Corporation was organized in 1952. We originally began operations in 1932 as a retail meat market in San Diego, California and evolved into a meat wholesaler for hotels and restaurants, a distributor of frozen food products, a processor and packer of meat, and a manufacturer and distributor of frozen food products for sale on a retail and wholesale basis. We and our subsidiaries are primarily engaged in the manufacturing, marketing and distribution of an extensive line of frozen, refrigerated, and snack food products throughout the United States.

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. All inter-company transactions have been eliminated.

Use of estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the respective reporting periods. Actual results could differ from those estimates. Amounts estimated related to liabilities for pension benefits, self-insured workers' compensation and employee healthcare benefits are subject to inherent uncertainties and these estimated liabilities may ultimately settle at amounts which may vary from current estimates. Other areas with underlying estimates include realization of deferred tax assets, cash surrender or contract value of life insurance policies, promotional allowances and the allowance for doubtful accounts and inventory reserves. Management believes its current estimates are reasonable and based on the best information available at the time.

We test long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an impairment is indicated, we measure the fair value of assets to determine if and when adjustments are recorded.

Subsequent events

Management has evaluated events subsequent to November 1, 2019 through the date the accompanying consolidated financial statements were filed with the Securities and Exchange Commission for transactions and other events that may require adjustment of and/or disclosure in such financial statements. On December 19, 2019, we entered into a third master collateral loan and security agreement with Wells Fargo Bank, N.A for $3,750 in equipment financing. Pursuant to the loan agreement, we borrowed $3,750 to purchase specific equipment for our new Chicago processing facility at a fixed rate of 3.70% per annum. The loan term is seven years and is secured by the purchased equipment. The funds were received on December 23, 2019. The master collateral loan and security agreement with Wells Fargo Bank, N.A. contains various affirmative and negative covenants that limit the use of funds and define other provisions of the loan. The main financial covenants are listed below:

- Total Liabilities divided by Tangible Net Worth not greater than 2.5 to 1.0 at each fiscal quarter,
- Quick Ratio not less than 1.0 to 1.0 at each fiscal quarter end,
- Net income after taxes not less than one dollar on a quarterly basis, determined as of each fiscal quarter end.

The Company maintains a line of credit with Wells Fargo Bank, N.A. that expires on March 1, 2020. Under the terms of this line of credit, we may borrow up to $7,500 at an interest rate equal to the bank's prime rate or LIBOR plus 1.5%. The Company borrowed $2,000 under this line of credit on November 24, 2019. The Company borrowed an additional 2.500,000 under the line of credit on January 24, 2020.

Based on management's review, no other material events were identified that require adjustment to the financial statements or additional disclosure.

Accounts Receivable

Accounts receivable are recorded at net realizable value. The value is presented net of allowance for doubtful accounts and promotional incentives. Our accounts receivable consists mainly of trade receivables from customer sales. We evaluate the collectability of our accounts receivable based on a several factors. The provision for doubtful accounts receivable is based on historical trends and current collectability risk. Our provision for doubtful accounts was $31 and $33 as of November 1, 2019 and November 2, 2018, respectively.

Concentrations of credit risk

Our credit risk is diversified across a broad range of customers and geographic regions. Losses due to credit risk have recently been immaterial. The carrying amount of cash equivalents, accounts and other receivables, accounts payable and accrued liabilities approximate fair market value due to the short maturity of these instruments. We maintain cash balances at financial institutions, which may at times exceed the amounts insured by the Federal Deposit Insurance Corporation. Management does not believe there is significant credit risk associated with these financial institutions.

Sales to Wal-Mart® comprised 35.7% of revenues in fiscal year 2019 and 31.9% of total accounts receivable was due from Wal-Mart® as of November 1, 2019. Sales to Wal-Mart® comprised 36.4% of revenues in fiscal year 2018 and 31.3% of total accounts receivable was due from Wal-Mart® as of November 2, 2018. Sales to Dollar General® comprised 11.1% of revenues in fiscal year 2019 and 21.7% of total accounts receivable was due from Dollar General® as of November 1, 2019. Sales to Dollar General® comprised 9.6% of revenues in fiscal year 2018 and 23.5% of total accounts receivable was due from Dollar General® as of November 2, 2018.

Business segments

Our company and subsidiaries operate in two business segments - the processing and distribution of frozen foods products, and the processing and distribution of snack food products. See Note 7 for further information.

Fiscal year

We maintain our accounting records on a 52-53-week fiscal basis ending on the Friday closest to October 31. As part of the regular accounting cycle, fiscal years 2019 and 2018 included 52 weeks.

Revenues

The Company recognizes revenue for the sale of the product at the point in time when our performance obligation has been satisfied and control of the product has transferred to our customer, which generally occurs upon shipment, pickup or delivery to a customer based on terms of the sale. Contracts with customers are typically short-term in nature with completion of a single performance obligation. Product is sold to foodservice, retail, institutional and other distribution channels. Products are delivered to customers primarily through our own long-haul fleet, common carrier or through a Company owned direct store delivery system. These delivery costs, $5,012 and $3,883 for fiscal years 2019 and 2018, respectively, are included in selling, general and administrative expenses in the accompanying consolidated financial statements. Shipping and handling that occurs after the customer has obtained control of the product is recorded as a fulfillment cost rather than an additional assured service. Costs paid to third party brokers to obtain contracts are recognized as part of selling expenses. Other sundry items in context of the contract are also recognized as selling expense. Any taxes collected on behalf of the government are excluded from net revenue.

We record revenue at transaction price which is measured as the amount of consideration we anticipate to receive in exchange for providing product to our customers. Revenue is recognized as the net amount estimated to be received after deducting estimated or known amounts including variable consideration for discounts, trade allowances, consumer incentives, coupons, volume-based incentives, cooperative advertising, product returns and other such programs. Promotional allowances, including customer incentive and trade promotion activities, are recorded as a reduction to sales based on amounts estimated being due to customers, based primarily on historical utilization and redemption rates. Estimates are reviewed regularly until incentives or product returns are realized and the result of any such adjustments are known. Promotional allowances deducted from sales for fiscal years 2019 and 2018 were $11,105 and $8,840, respectively.

Advertising expenses

Advertising and other promotional expenses are recorded as selling, general and administrative expenses. Advertising expenses for fiscal years 2019 and 2018 were $2,574 and $2,713, respectively.

Cash and cash equivalents

We consider all investments with original maturities of three months or less to be cash equivalents. Cash equivalents include money market funds and treasury bills. Cash equivalents totaled $3,478 as of November 1, 2019 and $8,179 as of November 2, 2018. All material cash and cash equivalents as of November 1, 2019 were held at Wells Fargo Bank N.A.

Fair value measurements

We classify levels of inputs to measure the fair value of financial assets as follows:

- Level 1 inputs: Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

- Level 2 inputs: Level 2 inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs: Level 3 inputs are unobservable and should be used to measure fair value to the extent that observable inputs are not available.

The hierarchy noted above requires us to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value.

The Company does not have any assets or liabilities measured at fair value on a recurring or non-recurring basis for the fiscal years ended November 1, 2019 and November 2, 2018.

Inventories

Inventories are valued at the lower of cost (which approximates actual cost on a first-in, first-out basis) or net realizable value. Inventories include the cost of raw materials, labor and manufacturing overhead. We regularly review inventory quantities on hand and write down any excess or obsolete inventories to net realizable value. An inventory reserve is created when potentially slow-moving or obsolete inventories are identified in order to reflect the appropriate inventory value. Changes in economic conditions, production requirements, and lower than expected customer demand could result in additional obsolete or slow-moving inventory that cannot be sold or must be sold at reduced prices and could result in additional reserve provisions.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Major renewals and improvements are charged to the asset accounts while the cost of maintenance and repairs is charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is credited or charged to income. Depreciation is computed on a straight-line basis over 10 to 20 years for buildings and improvements, 5 to 10 years for machinery and equipment, and 3 to 5 years for transportation equipment. We are building a processing plant from the ground up and as such have attributed long useful lives accordingly to these types of assets employed at the new facility in Chicago.

Leases

Leased property and equipment that meet lease criteria are capitalized at the lower of the present value of the minimum payments required under the lease or the fair value of the asset at inception of the lease and are included within property, plant and equipment on the consolidated balance sheet. If any, obligations under capital leases are accounted for as current and noncurrent liabilities on the consolidated balance sheet. Amortization is calculated on a straight-line method based upon the shorter of the estimated useful life of the asset or the lease term.

Life insurance policies

We record the cash surrender value or contract value for life insurance policies as an adjustment of premiums paid in determining the expense or income to be recognized under the contract for the period. The cash surrender value is included in other non-current assets in the accompanying consolidated balance sheets.

Income taxes

Deferred taxes are provided for items whose financial and tax bases differ. A valuation allowance is provided against deferred tax assets when it is expected that it is more likely than not that the related asset will not be fully realized. The determination as to whether or not a deferred tax asset can be fully realized is subject to a significant degree of judgment, based at least partially upon a projection of future taxable income, which takes into consideration past and future trends in profitability, customer demand, supply costs, and multiple other factors, which are inherently difficult to predict.

We provide tax accruals for federal, state and local exposures relating to audit results, tax planning initiatives and compliance responsibilities. The development of these accruals requires judgments about tax issues, potential outcomes and timing. (See Note 4 to the Consolidated Financial Statements). Although the outcome of these tax audits is uncertain, in management's opinion adequate provisions for income taxes have been made for potential liabilities emanating from these reviews. If actual outcomes differ materially from these estimates, they could have a material impact on our results of operations.

Stock-based compensation

We measure and recognize compensation expense for all share-based payments to employees, including grants of employee stock options, in the financial statements based on the fair value at the date of the grant. We have not issued, awarded, granted or entered into any stock-based payment agreements since April 29, 1999, and no such expense was recognized in fiscal years 2019 and 2018.

Comprehensive income or loss

Comprehensive income or loss consists of net income and additional minimum pension liability adjustments.

Recently issued accounting pronouncements and regulations

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU 2014-09 "Revenue from Contracts with Customers" to supersede previous revenue recognition guidance under current U.S. GAAP. The guidance presents a single five-step model for comprehensive revenue recognition that requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Two options are available for implementation of the standard which are either the retrospective approach or cumulative effect adjustment approach. The guidance become effective for annual reporting periods that begin after December 15, 2017, including interim periods within that reporting period, with early adoption permitted. The Company adopted the modified retrospective transition method beginning with the first quarter of fiscal 2019. The adoption did not have a material impact on our consolidated financial statements. For further information please refer to Part I, Item 1, Notes to Consolidated Financial Statements under Revenues. Disaggregated revenue is disclosed in Part I, Item 1, Notes to Consolidated Financial Statements, Note 7: Segment Information.

In January 2016, the FASB issued ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities" that requires most equity investments to be measured at fair value and subsequent changes in fair value to be recognized in net income. The guidance covers presentation and disclosure requirements of financial liabilities and the classification and measurement of financial instruments. The guidance is effective for annual reporting periods and interim periods within those annual reporting periods beginning after December 15, 2017. We adopted this guidance in the first quarter of fiscal 2019. The adoption did not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases", which requires a lessee to recognize assets and liabilities with lease terms of more than 12 months. Both capital and operating leases are to be recognized on the balance sheet. The guidance is effective for annual reporting periods beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019 which is our first quarter of fiscal 2020. We have analyzed all lease transactions during fiscal year 2019. The Company elected not to reassess expired contracts or adjust comparative periods. The Company determined that no change to current accounting treatment is warranted due to the underlying nature of our leases. In the case of month-to-month lease or rental agreements with terms of 12 months or less, the Company made an accounting policy election to not recognize lease assets and liabilities. The Company performed a detailed analysis and determined that there were no indicators of longer-term leases at this time. The application of this pronouncement will result in additional disclosures detailing our lease arrangements. The Company continues to evaluate this statement and its impact on its results of operations or financial position but do not expect a material impact on our consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, "Income Taxes – Classification of Certain Cash Receipts and Cash Payments". The guidance involves eight specific cash flow issues and aims to unify accounting for these transactions. The guidance becomes effective for annual reporting periods beginning after December 15, 2017 with early adoption permitted. The Company adopted this guidance during the first quarter of fiscal 2019 and it did not have a material impact on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, "Compensation – Retirement Benefits". The guidance separates service cost from other pension cost components changing the presentation of net periodic benefit cost related to company sponsored defined benefit or other postretirement benefits. The guidance becomes effective for annual and interim reporting periods beginning after December 15, 2017 with early adoption permitted. Additional disclosure reconciling net periodic benefit cost is detailed in Item I, Notes to the Consolidated Financial Statements under Note 3, Retirement and Other Benefit Plans. The Company adopted this guidance during the first quarter of fiscal 2019 and it did not have a material impact on our consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, "Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income". The guidance allows reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the application of the U.S. Tax Cuts and Jobs Act. The guidance is effective for annual and interim reporting periods beginning after December 15, 2018 with early adoption permitted. The Company elected to early adopt this guidance during the quarter ended January 26, 2018. Adoption of this guidance had a material impact on retained earnings and other comprehensive income (see the Consolidated Statements of Shareholders' Equity contained in this Report).

In December 2019, the FASB issued ASU 2019-12, "Income Taxes – Simplifying the Accounting for Income Taxes". The guidance removes exceptions to the general principles in Topic 740 for allocating tax expense between financial statement components, accounting basis differences stemming from an ownership change in foreign investments and interim period income tax accounting for year-to-date losses that exceed projected losses. The guidance becomes effective for annual reporting periods beginning after December 15, 2020 and interim periods within those fiscal years with early adoption permitted. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

NOTE 2 - ***Composition of Certain Financial Statement Captions:***

		2019		2018
Inventories, net:				
Meat, ingredients and supplies	$	5,283	$	6,455
Work in process		1,562		1,415
Finished goods		19,522		15,543
	$	26,367	$	23,413
Property, plant and equipment, net:				
Land	$	3,908	$	3,908
Buildings and improvements		21,044		21,665
Machinery and equipment		60,617		57,593
Capital leased trucks		473		404
Transportation equipment		8,391		6,981
Construction in process		13,928		8,424
		108,361		98,975
Accumulated depreciation and amortization		(54,015)		(66,337)
	$	54,346	$	32,638
Other non-current assets:				
Cash surrender value benefits	$	12,289	$	11,624
Other		6		6
	$	12,295	$	11,630
Accrued payroll, advertising and other expenses:				
Payroll, vacation, payroll taxes and employee benefits	$	4,063	$	3,326
Accrued advertising and broker commissions		648		489
Property taxes		520		517
Other		249		245
	$	5,480	$	4,577
Current portion of non-current liabilities (Notes 3 and 6):				
Defined benefit retirement plan	$	-	$	1,150
Executive retirement plans		10		10
Incentive compensation		4,264		4,796
Capital lease obligation		95		-
Customer deposits		10		10
Postretirement healthcare benefits		55		14
	$	4,434	$	5,980
Non-current liabilities (Note 3):				
Defined benefit retirement plan	$	14,130	$	6,903
Executive retirement plans		6,418		5,553
Incentive compensation		3,655		4,487
Capital lease obligation		360		-
Postretirement healthcare benefits		665		504
	$	25,228	$	17,447

NOTE 3 - ***Retirement and Other Benefit Plans:***

Noncontributory-Trusteed Defined Benefit Retirement Plans for Sales, Administrative, Supervisory and Certain Other Employees

We have noncontributory-trusteed defined benefit retirement plans for sales, administrative, supervisory and certain other employees. In the third quarter of fiscal year 2006, we froze future benefit accruals under these plans for employees classified within the administrative, sales or supervisory job classifications or within any non-bargaining class. The benefits under these plans are primarily based on years of service and compensation levels. The funding policy of the plans requires contributions which are at least equal to the minimum required contributions needed to avoid a funding deficiency. The measurement date for the plans is our fiscal year end.

Net pension cost consisted of the following:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Service cost	$ 103	$ 126
Interest cost	2,396	2,248
Expected return on plan assets	(3,414)	(3,408)
Amortization of unrecognized loss	1,236	1,575
Net pension cost	$ 321	$ 541

Net pension costs and benefit obligations are determined using assumptions as of the beginning of each fiscal year.

Weighted average assumptions for each fiscal year are as follows:

	2019	2018
Discount rate	3.00%	4.30%
Rate of increase in salary levels	N/A	N/A
Expected return on plan assets	7.00%	7.00%

The benefit obligation, plan assets, and funded status of these plans as of the fiscal years ended are as follows:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Change in plan assets:		
Fair value of plan assets - beginning of year	$ 49,434	$ 48,208
Employer contributions	875	3,150
Actual return on plan assets	5,402	(242)
Benefits paid	(1,819)	(1,682)
Fair value of plan assets - end of year	$ 53,892	$ 49,434
Change in benefit obligations:		
Benefit obligations - beginning of year	$ 57,487	$ 62,480
Service cost	103	126
Interest cost	2,396	2,248
Actuarial gain (loss)	9,856	(5,686)
Benefits paid	(1,820)	(1,681)
Benefit obligations - end of year	68,022	57,487
Funded status of the plans	(14,130)	(8,053)
Unrecognized prior service costs	-	-
Unrecognized net actuarial loss	23,453	16,821
Net amount recognized	$ 9,323	$ 8,768

We perform an internal rate of return analysis when making the discount rate selection. The discount rates were based on FTSE Pension Liability Index (formerly Citibank) as of October 31, 2019 and September 30, 2018, respectively.

Plan assets are primarily invested in marketable equity securities, corporate and government debt securities and are administered by an investment management company. The plans' long-term return on assets is based on the weighted-average of the plans' investment allocation as of the measurement date and the published historical returns for those types of asset categories, taking into consideration inflation rate forecasts. Our expected employer contribution to the plans in fiscal year 2020 is zero.

For fiscal year 2019, our actuary updated mortality tables from the mortality projection scale using MP-2017 Scaling to MP-2018 Scaling. The expected rate of return on plan assets remained the same at 7.00% effective for fiscal years 2019 and 2018, respectively.

The actual and target allocation for plan assets are as follows:

Asset Class	2019	Target Asset Allocation	2018	Target Asset Allocation
Large Cap Equities	21.8%	22.0%	21.4%	22.0%
Mid Cap Equities	0.0%	0.0%	0.0%	0.0%
Small Cap Equities	13.8%	12.0%	13.0%	12.0%
International (equities only)	25.2%	26.0%	24.7%	26.0%
Fixed Income	37.6%	39.0%	39.0%	39.0%
Other (Government/Corporate, Bonds)	0.0%	0.0%	0.0%	0.0%
Cash	1.6%	1.0%	1.9%	1.0%
Total	100.0%	100.0%	100.0%	100.0%

The fair value of our pension plan assets as of November 1, 2019 and the level under which fair values were determined, using the hierarchy described in Note 1, is as follows:

	2019			
	Level 1	Level 2	Level 3	Total
Total plan assets	$ 53,892	-	-	$ 53,892

Expected payments for the pension benefits are as follows:

Fiscal Years	Pension Benefits
2020	$ 2,376
2021	$ 2,545
2022	$ 2,694
2023	$ 2,873
2024	$ 3,034
2025-2029	$ 17,053

Executive Retirement Plans

Non-Qualified Deferred Compensation

Effective January 1, 1991, we adopted a deferred compensation savings plan for certain key employees. Under this arrangement, selected employees contribute a portion of their annual compensation to the plan. We contribute an amount to each participant’s account by computing an investment return equal to Moody’s Average Seasoned Bond Rate plus 2%. Employees receive vested amounts upon death, termination or attainment of retirement age. No benefit expense was recorded under this plan for fiscal years 2019 and 2018.

Supplemental Executive Retirement Plan

In fiscal year 1991, we adopted a non-qualified supplemental retirement plan for certain key employees. Benefits provided under the plan are equal to 60% of the employee’s final average earnings, less amounts provided by our defined benefit pension plan and amounts available through Social Security.

Benefits payable related to these plans and included in the accompanying consolidated financial statements were $6,428 and $5,553 as of November 1, 2019 and November 2, 2018, respectively. In connection with these arrangements we are the beneficiary of life insurance policies on the lives of certain key employees and retirees. The aggregate cash surrender value of these policies, included in non-current assets, was $12,289 and $11,624 as of November 1, 2019 and November 2, 2018, respectively.

Expected payments for executive postretirement benefits are as follows:

Fiscal Years	Executive Postretirement Benefits
2020	$ 524
2021	$ 524
2022	$ 524
2023	$ 524
2024	$ 524
2025-2029	$ 2,619

Incentive Compensation Plan for Certain Key Executives

We provide an incentive compensation plan for certain key executives, which is based upon our pretax income. The payment of these amounts is generally deferred over three or five-year periods. The total amount payable related to this arrangement was $7,919 and $9,283 as of November 1, 2019 and November 2, 2018, respectively. Future payments are approximately $4,264, $2,283, $1,221, $101 and $50 for fiscal years 2020 through 2024, respectively.

Postretirement Healthcare Benefits for Selected Executive Employees

We provide postretirement health care benefits for selected executive employees. Net periodic postretirement healthcare (benefit) cost is determined using assumptions as of the beginning of each fiscal year, except for the total actual benefit payments and the discount rate used to develop the net periodic postretirement benefit expense, which is determined at the end of the fiscal year.

Net periodic postretirement healthcare (benefit) consisted of the following:

	November 1. 2019 (52 Weeks)	November 2. 2018 (52 Weeks)
Service cost	$ 9	$ 13
Interest cost	22	18
Amortization of prior service cost	(44)	(132)
Amortization of actuarial gain	(7)	(41)
Net periodic postretirement healthcare (benefit)	$ (20)	$ (142)

Weighted average assumptions for the fiscal years ended November 1, 2019 and November 2, 2018 are as follows:

	2019	2018
Discount rate	2.92%	4.30%
Medical trend rate next year	7.50%	8.00%
Ultimate trend rate	5.00%	5.00%
Year ultimate trend rate is achieved	2025	2024

The table below shows the estimated effect of a 1% increase in healthcare cost trend rate on the following:

	2019	2018
Interest cost plus service cost	$ 3	$ 4
Accumulated postretirement healthcare obligation	$ 64	$ 54

The table below shows the estimated effect of a 1% decrease in healthcare cost trend rate on the following:

	2019	2018
Interest cost plus service cost	$ (3)	$ (3)
Accumulated postretirement healthcare obligation	$ (53)	$ (45)

The healthcare obligation and funded status of this plan as of the fiscal years ended are as follows:

	2019	2018
Change in accumulated postretirement healthcare obligation:		
Healthcare obligation - beginning of year	$ 517	$ 528
Service cost	9	13
Interest cost	22	18
Actuarial gain	44	(40)
Benefits paid	(6)	(2)
Healthcare obligation – end of year	$ 586	$ 517
Funded status of the plans	586	517
Unrecognized prior service costs	-	(44)
Unrecognized net actuarial gain	(58)	(109)
Unrecognized amounts recorded in other comprehensive income	58	153
Postretirement healthcare liability	$ 586	$ 517

Expected payments for the postretirement benefits are as follows:

Fiscal Years	**Postretirement Healthcare Benefits**
2020	$ 65
2021	$ 44
2022	$ 20
2023-2027	$ 103

401(K) Plan for Sales, Administrative, Supervisory and Certain Other Employees

During the fiscal year ended November 3, 2006, we implemented a qualified 401(K) retirement plan (the "401K Plan") for our sales, administrative, supervisory and certain other employees. During fiscal years 2019 and 2018, we made total employer contributions to the 401K Plan in the amounts of $722 and $660, respectively.

NOTE 4 - ***Income Taxes:***

The provision for income taxes includes the following:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Current:		
Federal	$ (177)	$ 979
State	342	377
	165	1,356
Deferred:		
Federal	1,667	4,715
State	221	225
	1,888	4,940
	$ 2,053	$ 6,296

The total tax provision differs from the expected amount computed by applying the statutory federal income tax rate to income before income taxes as follows:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Provision for federal income taxes at the applicable statutory rate	$ 1,790	$ 2,956
Increase in provision resulting from state income taxes, net of federal income tax benefit	445	463
Change in federal rate – Tax Act	-	3,059
Non-taxable life insurance gain	(140)	(99)
Domestic Production Activities Deduction	-	(106)
Other, net	(42)	23
	$ 2,053	$ 6,296

Deferred income taxes result from differences in the bases of assets and liabilities for tax and accounting purposes.

	2019	2018
Receivables allowance	$ 8	$ 9
Returns allowance	160	112
Inventory packaging reserve	90	35
Inventory overhead capitalization	394	305
Employee benefits	467	385
Other	25	-
State taxes	(281)	(230)
Incentive compensation	1,794	2,174
Pension and health care benefits	5,604	3,494
Depreciation	(6,310)	(2,274)
Net operating loss carry-forward and credits	2,173	77
Valuation allowance established against state NOL	(77)	(77)
Deferred income tax assets, net	$ 4,047	$ 4,010

Management is required to evaluate whether a valuation allowance should be established against its deferred tax assets based on the consideration of all available evidence using a "more likely than not" standard. Realization of deferred tax assets is dependent upon taxable income in prior carryback years, estimates of future taxable income, tax planning strategies, and reversals of existing taxable temporary differences.

As of November 1, 2019, the Company did not have any valuation allowance against its federal net deferred tax assets.

Management reevaluated the need for a valuation allowance at the end of 2019 and determined that some of its California NOL may not be utilized. Therefore, a valuation allowance of $77 has been retained for such portion of California NOL.

As of November 1, 2019, the Company had net operating loss carryforwards of approximately $9,979 for federal and $874 for state purposes. The federal loss will be carried forward indefinitely until it can be utilized against future taxable income. The state loss carryforwards will expire at various dates from 2023 through 2034.

As of November 1, 2019, we have provided a liability of $90 for unrecognized tax benefits related to various federal and state income tax matters. None of this liability will reduce our effective income tax rate if the asset is recognized in future reporting periods. We have not identified any new unrecognized tax benefits.

As of November 2, 2018, we have provided a liability of $155 for unrecognized tax benefits related to various federal and state income tax matters. None of this liability will reduce our effective income tax rate if the asset is recognized in future reporting periods. We have not identified any new unrecognized tax benefits.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	November 1, 2019 (52 Weeks)	November 2, 2018 (52 Weeks)
Balance at beginning of year	$ 155	$ 135
Additions based on tax positions related to the current year	-	10
Additions for tax positions of prior years	-	10
Reductions for tax positions of prior years	(65)	-
Settlements	-	-
Balance at end of year	$ 90	$ 155

We recognize any future accrued interest and penalties related to unrecognized tax benefits in income tax expense. As of November 1, 2019, we had approximately $18 in accrued interest and penalties which is included as a component of the $90 unrecognized tax benefit noted above.

Our federal income tax returns are open to audit under the statute of limitations for the fiscal years 2016 through 2018.

We are subject to income tax in California and various other state taxing jurisdictions. Our state income tax returns are open to audit under the statute of limitations for the fiscal years ended 2015 through 2018.

We do not anticipate a significant change to the total amount of unrecognized tax benefits within the next 12 months.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act includes significant changes to the U.S. tax code that affected our fiscal year ended November 2, 2018, and future periods, including, but not limited to, (1) reduced the corporate federal income tax rate from 35% to 21%, (2) bonus depreciation that allowed for full expensing of qualified property in the year placed in service, and (3) the repeal of the domestic production activity deduction beginning with our fiscal year 2019. Section 15 of the Internal Revenue Code (the "Code") stipulates that our fiscal year ended November 2, 2018 had a blended corporate tax rate of 23.07%, which is based on the applicable tax rates before and after the Tax Act and the number of days in the year.

Under U.S. GAAP, specifically ASC Topic 740, *Income Taxes,* the tax effects of changes in tax laws must be recognized in the period in which the law is enacted, or December 22, 2017, for the Tax Act. ASC Topic 740 also requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. Thus, at the date of enactment, the Company's deferred taxes were re-measured based upon the new tax rates.

The Company adopted ASU 2018-02, "Income Statement-Reporting Other Comprehensive Income (OCI) (Topic 220)" in year ended November 2, 2018. As a result of the remeasurement of deferred tax assets related to the Tax Act, we reclassified $2,529 from Other Comprehensive Income to Retained Earnings.

NOTE 5 - *Line of Credit and Borrowing Agreement:*

We maintain a line of credit with Wells Fargo Bank, N.A. that expires on March 1, 2020. Under the terms of this line of credit, we may borrow up to $7,500 at an interest rate equal to the bank's prime rate or LIBOR plus 1.5%. The borrowing agreement contains various covenants, the more significant of which require us to maintain a minimum tangible net worth, a minimum quick ratio, a minimum net income after tax and total capital expenditures less than $7,500. The Company was in violation of the capital expenditure covenant at November 1, 2019 which was subsequently waived (per letter dated December 16, 2019). The Company borrowed $2,000 under this line of credit on April 15, 2019, which was repaid on April 25, 2019.

On December 26, 2018, we entered into a master collateral loan and security agreement with Wells Fargo Bank, N.A for up to $15,000 in equipment financing. Pursuant to the loan agreement, we made two borrowings of $7,500 each, to purchase specific equipment for our new Chicago processing facility at a fixed rate of 4.13% and 3.98%, respectively, per annum. The loan terms are seven years and are secured by the purchased equipment. The first funding of $7,500 was received on December 28, 2018. The second funding was received on April 23, 2019. The master collateral loan and security agreement with Wells Fargo Bank, N.A. contains various affirmative and negative covenants that limit the use of funds and define other provisions of the loan. The main financial covenants are listed below:

- Total Liabilities divided by Tangible Net Worth (as defined) not greater than 2.5 to 1.0 at each fiscal quarter,
- Quick Ratio (as defined) not less than 1.0 to 1.0 at each fiscal quarter end, and
- Net income after taxes not less than one dollar on a quarterly basis, determined as of each fiscal quarter end.

The first secured equipment note payable is due with monthly principal and interest payments of $103 commencing on January 31, 2019 for 84 monthly installments including interest of 4.13% per annum. The second secured equipment note payable is due with monthly principal and interest payments of $102 commencing on May 31, 2019 for 84 monthly installments including interest of 3.98% per annum.

	November 1, 2019	November 2, 2018
Secured equipment notes payable to Wells Fargo Bank, N.A. collateralized by equipment for the new Chicago processing facility.	$ 13,747	$ -
Less current portion of notes payable	(1,943)	-
Total long-term notes payable	$ 11,804	$ -

The Company was in compliance with all covenants under the master collateral loan and security agreement as of November 1, 2019.

NOTE 6- ***Contingencies and Commitments:***

The Company leases warehouse and/or office facilities throughout the United States and Canada through month-to-month rental agreements. In the case of month-to-month lease or rental agreements with terms of 12 months or less, the Company made an accounting policy election to not recognize lease assets and liabilities due to their underlying nature.

The Company leases three long-haul trucks received during fiscal 2019. Six-year leases for semi-trucks expire in 2025. Amortization of equipment under capital lease was $34 in 2019.

The following is a schedule by years of future minimum lease payments for transportation leases:

Fiscal Year	Financing Obligations
2021	$ 102
2022	102
2023	102
2024	102
2025	102
Later Years	75
Total Minimum Lease Payments(a)	$ 585
Less: Amount representing executory costs	(76)
Less: Amount representing interest(b)	(54)
Present value of future minimum lease payments(c)	$ 455

(a) Minimum payments exclude contingent rentals based on actual mileage and adjustments of rental payments based on the Consumer Price Index.
(b) Amount necessary to reduce net minimum lease payments to present value calculated at the Entity's incremental borrowing rate at the inception of the leases.
(c) Reflected in the Note 2, as current and noncurrent obligations under capital leases of $95 and $360, respectively.

NOTE 7 - *Segment Information:*

We have two reportable operating segments, Frozen Food Products (the processing and distribution of frozen products) and Snack Food Products (the processing and distribution of meat and other convenience foods).

We evaluate each segment's performance based on revenues and operating income. Selling, general and administrative expenses include corporate accounting, information systems, human resource and marketing management at the corporate level. These activities are allocated to each operating segment based on revenues and/or actual usage.

The following segment information is for the fiscal years ended November 1, 2019 (52 weeks) and November 2, 2018 (52 weeks):

Segment Information

2019	**Frozen Food Products**	**Snack Food Products**	**Other**	**Totals**
Net Sales	$ 51,234	$ 137,551	$ -	$ 188,785
Cost of products sold	33,444	93,677	-	127,121
Gross margin	17,790	43,874	-	61,664
SG&A	14,867	37,970	-	52,837
(Gain) loss on sale of property, plant and equipment	(4)	294	-	290
Income before taxes	$ 2,927	$ 5,610	$ -	$ 8,537
Total assets	$ 12,198	$ 90,221	$ 21,037	$ 123,456
Additions to PP&E	$ 654	$ 25,085	$ -	$ 25,739

Segment Information

2018	**Frozen Food Products**	**Snack Food Products**	**Other**	**Totals**
Net Sales	$ 47,266	$ 126,991	$ -	$ 174,257
Cost of products sold	30,992	86,759	-	117,751
Gross margin	16,274	40,232	-	56,506
SG&A	14,226	35,703	-	49,929
Gain on sale of property, plant and equipment	(242)	(17)	(5,977)	(6,236)
Income before taxes	$ 2,290	$ 4,546	$ 5,977	$ 12,813
Total assets	$ 11,902	$ 64,429	$ 25,163	$ 101,494
Additions to PP&E	$ 981	$ 17,166	$ -	$ 18,147

The following information further disaggregates our sales to customers by major distribution channel and customer type for the fiscal year ended November 1, 2019.

2019

Distribution Channel	**Retail (a)**	**Foodservice (b)**	**Totals**
Direct store delivery	$ 100,936	$ -	$ 100,936
Direct customer warehouse	36,615	-	36,615
Total Snack Food Products	137,551	-	137,551
Distributors	6,915	44,319	51,234
Total Frozen Food Products	6,915	44,319	51,234
Total Net Sales	$ 144,466	$ 44,319	$ 188,785

(a) Includes sales to food retailers, such as grocery retailers, warehouse club stores, and internet-based retailers.
(b) Includes sales to foodservice distributors, restaurant operators, hotel chains and noncommercial foodservice establishments such as schools, convenience stores, healthcare facilities and the military.

NOTE 8 - *Unaudited Interim Financial Information:*

Not applicable for a smaller reporting company.

Exhibit 4.1

DESCRIPTION OF CAPITAL STOCK OF THE REGISTRANT

As of November 1, 2019, Bridgford Foods Corporation (the "Company") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: Common Stock**,** par value $1.00 per share, which is listed on the Nasdaq Global Market.

The following is a description of the rights of the Company's capital stock and related provisions of (i) the Company's Restated Articles of Incorporation, as amended (the "Articles"), (ii) the Company's Amended and Restated Bylaws (the "Bylaws"), and (iii) applicable California law. This description is qualified in its entirety by, and should be read in conjunction with, the Articles, the Bylaws and applicable California law.

Authorized Capital Stock

Pursuant to the Articles, the Company is authorized to issue two classes of shares designated "Preferred" and "Common." The total number of shares that the Company has authority to issue is 21,000,000, consisting of 20,000,000 Common shares, par value $1.00 per share, and 1,000,000 Preferred shares, without par value.

Common Stock

Fully Paid and Nonassessable

All of the outstanding Common shares are fully-paid and non-assessable.

Voting Rights

The holders of Common shares are entitled to one vote per share on all matters to be voted on by such holders; provided, however, that holders of Common shares may have cumulative voting rights in the election of directors if the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes.

Dividends

The holders of Common shares are entitled to receive such dividends, if any, as may be declared from time to time by the Company's Board of Directors in its discretion from funds legally available therefor.

Right to Receive Liquidation Distributions

Upon liquidation, dissolution or winding-up, the holders of Common shares are entitled to receive pro rata all assets remaining available for distribution to holders of such shares.

No Preemptive or Similar Rights

Common shares have no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such Common shares.

Preferred Stock

Designation of Series of Preferred Stock.

Pursuant to the Articles, without further action by the Company's stockholders, the Company's Board of Directors is authorized (i) to provide for the issuance of Preferred shares in one or more series; (ii) to fix or alter the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences of any wholly unissued series of Preferred shares, and the number of shares constituting any such series and the designation thereof, or any of them; and (iii) to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding.

Anti-Takeover Provisions of the Articles, Bylaws and California Law

Provisions of the Articles and Bylaws may delay or discourage transactions involving an actual or potential change in control of the Company or change in its management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that its shareholders might otherwise deem to be in their best interests. Among other things, the Articles and Bylaws:

- provide that, except for a vacancy caused by the removal of a director as provided in the Bylaws, a vacancy on the Company's Board of Directors may be filled by approval of the Company's Board of Directors, or if the number of directors then in office is less than a quorum by (i) the unanimous written consent of the directors then in office, (ii) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with Section 307 of the California Corporations Code, or (iii) a sole remaining director;

- provide that shareholders seeking to present proposals before a meeting of shareholders or to nominate candidates for election as directors at a meeting of shareholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a shareholder's notice; and

- provide that, at a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to cumulate votes unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes.

In addition, as a California corporation, the Company is subject to the provisions of Section 1203 of the California General Corporation Law, which requires it to provide a fairness opinion to its shareholders in connection with their consideration of any proposed "interested party" reorganization transaction.

Listing

The Company's Common shares are listed on the Nasdaq Global Market under the trading symbol "BRID."

Exhibit 21.1

BRIDGFORD FOODS CORPORATION

SUBSIDIARIES OF REGISTRANT

Name of Subsidiary	State in which Incorporated
Bridgford Marketing Company	California
Bridgford Meat Company	California
Bridgford Food Processing Corporation	California
Bridgford Food Processing of Texas, L.P.**	Texas
A.S.I. Corporation	California
Bridgford Distributing Company of Delaware (inactive)	Delaware
American Ham Processors, Inc.*	Delaware
Bert Packing Company (inactive)	Illinois
Moriarty Meat Company	Illinois

* - No shares have been issued.

** - Limited Partnership.

Exhibit 31.1

I, William L. Bridgford, certify that:

1. I have reviewed this annual report on Form 10-K of Bridgford Foods Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 24, 2020

/s/ WILLIAM L. BRIDGFORD

William L. Bridgford, Chairman of the Board
(Principal Executive Officer)

Exhibit 31.2

I, Raymond F. Lancy, certify that:

1. I have reviewed this annual report on Form 10-K of Bridgford Foods Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 24, 2020

/s/ RAYMOND F. LANCY

Raymond F. Lancy
Chief Financial Officer, Executive Vice President,
Treasurer and Assistant Secretary
(Principal Financial and Accounting Officer)

Exhibit 32.1

<u>Certification Pursuant to 18 U.S.C. Section 1350,</u>
<u>As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>

I, William L. Bridgford, Chairman of the Board of Bridgford Foods Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the fiscal year ended November 1, 2019 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 24, 2020

/s/ WILLIAM L. BRIDGFORD

William L. Bridgford
Chairman of the Board
(Principal Executive Officer)

This certification accompanies the Annual Report on Form 10-K pursuant to Section 13(a) and Section 15(d) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Raymond F. Lancy, Chief Financial Officer, Executive Vice President, Treasurer and Assistant Secretary of Bridgford Foods Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the fiscal year ended November 1, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 24, 2020

/s/ RAYMOND F. LANCY

Raymond F. Lancy
Chief Financial Officer, Executive Vice President
Treasurer and Assistant Secretary
(Principal Financial and Accounting Officer)

This certification accompanies the Annual Report on Form 10-K pursuant to Section 13(a) and Section 15(d) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

BRIDGFORD FOODS CORPORATION

NOTICE OF 2020 ANNUAL MEETING OF SHAREHOLDERS

March 11, 2020

10:00 a.m. Pacific Time

To the Shareholders of BRIDGFORD FOODS CORPORATION:

The annual meeting of the shareholders of Bridgford Foods Corporation, a California corporation, will be held at the offices of Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California 92801, on Wednesday, March 11, 2020 at 10:00 a.m. Pacific Time, for the following purposes:

(1) To elect nine directors to hold office for one year or until their successors are elected and qualified;

(2) To ratify the appointment of Squar Milner LLP as the Company's independent registered public accountants for the fiscal year ending on October 30, 2020;

(3) To approve, by a non-binding advisory vote, the compensation of the Company's named executive officers, or NEOs, as disclosed in the Proxy Statement; and

(4) To transact such other business as may properly come before the meeting, or any postponements or adjournments thereof.

The Board of Directors recommends that you vote "FOR" each of the director nominees referenced in Proposal 1, "FOR" Proposal 2 and "FOR" Proposal 3. Each of the proposals is described in greater detail in the Proxy Statement accompanying this Notice of 2020 Annual Meeting of Shareholders, or this Notice.

Only shareholders of record at the close of business on January 31, 2020 are entitled to notice of and to vote at the meeting or any postponement or adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on Wednesday, March 11, 2020.

Pursuant to the rules of the Securities and Exchange Commission, or the SEC, the Company has elected to provide access to its proxy materials both by sending you a full set of proxy materials, including this Notice, the accompanying Proxy Statement and Proxy Card, and the 2019 Annual Report to Shareholders, and by notifying you of the availability of the proxy materials on the Internet. **The Notice, Proxy Statement, Proxy Card and 2019 Annual Report to Shareholders are available at:**

https://materials.proxyvote.com/108763

All shareholders are cordially invited to attend the annual meeting. HOWEVER, TO ENSURE YOUR REPRESENTATION AT THE MEETING, THE BOARD OF DIRECTORS RESPECTFULLY URGES YOU TO SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE. If you attend the meeting in person, you may withdraw your proxy and vote your shares at the meeting. Shareholders attending the meeting whose shares are held in the name of a broker or other nominee who desire to vote their shares at the meeting should bring with them a letter or account statement from that firm confirming their ownership of shares.

The meeting will be held at the principal offices of Bridgford Foods Corporation, which are located at 1308 North Patt Street, Anaheim, California 92801, one block east of Anaheim Blvd. and just south of the 91 Freeway in the city of Anaheim, California. Driving directions may be obtained by contacting the receptionist at (714) 526-5533.

Your vote is extremely important. Please vote as soon as possible to ensure that your vote is recorded promptly even if you plan to attend the annual meeting.

By order of the Board of Directors
/s/ Cindy Matthews-Morales

Cindy Matthews-Morales
Secretary
Anaheim, California
February 17, 2020

BRIDGFORD FOODS CORPORATION
1308 North Patt Street, Anaheim, California 92801

2020 ANNUAL MEETING OF SHAREHOLDERS
to be held March 11, 2020

PROXY STATEMENT

GENERAL INFORMATION

The enclosed proxy is solicited by the Board of Directors of Bridgford Foods Corporation, a California corporation, which we refer to as "the Company," "we," "us," or "our," for use at the 2020 Annual Meeting of Shareholders of the Company, or the Annual Meeting, to be held at the offices of the Company, which are located at 1308 North Patt Street, Anaheim, California 92801, on Wednesday, March 11, 2020 at 10:00 a.m. Pacific Time, and at any postponement or adjournment thereof. All shareholders of record at the close of business on January 31, 2020 are entitled to notice of and to vote at such meeting. This Proxy Statement and the accompanying proxy are being mailed on or about February 17, 2020.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

The following questions and answers are intended to briefly address potential questions that our shareholders may have regarding this Proxy Statement and the Annual Meeting. They are also intended to provide our shareholders with certain information that is required to be provided under the rules and regulations of the SEC. These questions and answers may not address all of the questions that are important to you as a shareholder. If you have additional questions about the Proxy Statement or the Annual Meeting, please see "Whom should I contact with other questions?" below.

1. What is the purpose of the Annual Meeting?

At the Annual Meeting, our shareholders will be asked to consider and vote upon the matters described in this Proxy Statement and in the accompanying Notice, and any other matters that properly come before the Annual Meeting.

2. What is a proxy statement and what is a proxy?

A proxy statement is a document that the SEC regulations require us to give you when we ask you to sign a proxy designating individuals to vote on your behalf. A proxy is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card.

3. Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the Board of Directors of the Company of proxies to be voted at the Annual Meeting, and at any postponement or adjournment thereof. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. You are invited to attend the Annual Meeting in person to vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may vote your shares using one of the other voting methods described in this Proxy Statement. Whether or not you expect to attend the Annual Meeting, please vote your shares as soon as possible in order to ensure your representation at the Annual Meeting and to minimize the cost to the Company of proxy solicitation.

4. What am I being asked to vote upon at the Annual Meeting?

At the Annual Meeting, you will be asked to:

- Vote on the election of nine director nominees to serve for one year or until their successors are elected and qualified (Proposal 1);

- Ratify the appointment of Squar Milner LLP as the Company's independent registered public accountants for the fiscal year ending on October 30, 2020 (Proposal 2);

- Approve, by a non-binding advisory vote, the compensation of the Company's NEOs, as disclosed in this Proxy Statement (Proposal 3); and

- Act upon such other matters as may properly come before the Annual Meeting or any postponement or adjournment thereof.

5. Does the Board of Directors recommend voting in favor of the proposals?

Yes. The Board of Directors unanimously recommends that you vote your shares:

- "FOR" each of the director nominees (Proposal 1);
- "FOR" the ratification of the appointment of Squar Milner LLP as the Company's independent registered public accountants for the fiscal year ending on October 30, 2020 (Proposal 2); and
- "FOR" the approval, by a non-binding advisory vote, of the compensation of the Company's NEOs, as disclosed in this Proxy Statement (Proposal 3).

6. Who can vote at the Annual Meeting?

Only our "shareholders of record" at the close of business on January 31, 2020, the Record Date, will be entitled to vote at the Annual Meeting. On the Record Date, there were 9,076,832 shares of our common stock outstanding and entitled to vote. Each share of common stock entitles the holder thereof to one vote on each matter to be voted upon by such shareholders and, upon prior notice, to cumulate votes for the election of directors as discussed in Proposal 1 below.

Beneficial Owners

If, on the Record Date, your shares were held in an account at a bank, broker, dealer, or other nominee, then you are the "beneficial owner" of shares held in "street name" and this Proxy Statement is being forwarded to you by that nominee. The nominee holding your account is considered the "shareholder of record" for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your nominee on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the "shareholder of record," you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your nominee. Please contact your nominee directly for additional information.

Brokers, banks or other nominees holding shares of record for their respective customers generally are not entitled to vote on the election of directors unless they receive voting instructions from their customers. As used herein, "uninstructed shares" means shares held by a nominee who has not received instructions from its customers on a particular matter. As used herein, "broker non-vote" means the votes that could have been cast on the matter by nominees with respect to uninstructed shares if the nominees had received instructions. The effect of proxies marked "withheld" as to any director nominee or "abstain" as to any other proposal, and the effect of broker non-votes on each of the proposals, is discussed in each proposal below.

7. What are the voting requirements to approve the proposals?

All proxies, which are properly completed, signed and returned to the Company prior to the Annual Meeting, and not revoked, will be voted in accordance with the instructions given in the proxy. Please see each proposal below for voting requirements to approve the proposals.

8. What happens if I do not vote?

Please see each proposal below for the effect of not voting as well as the effect of withholdings, abstentions and broker non-votes.

9. What is the quorum requirement for the Annual Meeting?

The presence at the Annual Meeting of a majority of the outstanding shares, in person or by proxy, relating to any matter to be acted upon at the Annual Meeting, is necessary to constitute a quorum for the Annual Meeting. For purposes of the quorum, shareholders of record who are present at the Annual Meeting in person or by proxy and who abstain or withhold their vote, including brokers, dealers or other nominees holding shares of their respective customers of record who cause abstentions to be recorded at the Annual Meeting, are considered shareholders who are present and entitled to vote and count toward the quorum. If a quorum is not present, the Annual Meeting will be adjourned until a quorum is obtained.

10. How can I vote my shares?

Shareholders of record can vote by proxy or by attending the Annual Meeting and voting in person. The persons named as proxies were designated by the Board of Directors. If you vote by proxy, you can vote by mail as described below. If you are the beneficial owner of shares held in "street name," please refer to the information forwarded by your bank, broker, dealer or other nominee to see which voting options are available to you.

- *Vote by Mail.* You can vote by mail pursuant to the instructions provided on the Proxy Card. If you hold shares beneficially in "street name," you can vote by mail by following the voting instruction card provided to you by your broker, bank, trustee or nominee. If you choose to vote by mail, simply mark, sign, date and return your Proxy Card in the enclosed postage-prepaid envelope provided with this Proxy Statement.
- *Vote at the Annual Meeting.* Voting by mail will not limit your right to vote at the Annual Meeting if you decide to attend in person. Nevertheless, to ensure your representation at the Annual Meeting, the Board of Directors respectfully urges you to vote by mail. If you attend the meeting in person, you may withdraw your proxy and vote your shares at the meeting. Shareholders attending the meeting whose shares are held in "street name" by a bank, broker, dealer or other nominee who desire to vote their shares at the meeting should bring with them a letter or account statement from that firm confirming their ownership of shares prior to the Record Date.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting. If you sign and return your Proxy Card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors (as described in each proposal below).

11. How may I attend the Annual Meeting?

You are entitled to attend the Annual Meeting only if you were a shareholder as of the Record Date or hold a valid proxy for the Annual Meeting. Since seating is limited, admission to the Annual Meeting will be on a first-come, first-served basis. You should be prepared to present valid government-issued photo identification for admittance, such as a passport or driver's license. If your shares are held in "street name," you also will need proof of ownership as of the Record Date to be admitted to the Annual Meeting, such as a letter or account statement from the bank, broker, dealer or other nominee confirming your ownership of shares prior to the Record Date, a copy of the voting instruction card provided by your bank, broker, dealer or other nominee, or similar evidence of ownership. If you do not comply with each of the foregoing requirements, you may not be admitted to the Annual Meeting.

The meeting will be held at the principal offices of the Company, which are located at 1308 North Patt Street, Anaheim, California 92801, one block east of Anaheim Blvd. and just south of the 91 Freeway in the city of Anaheim, California. Driving directions may be obtained by contacting the receptionist at (714) 526-5533.

12. What can I do if I change my mind after I vote my shares?

Any proxy may be revoked or superseded by (i) executing a later proxy, (ii) giving notice of revocation in writing prior to, or at, the Annual Meeting, or (iii) attending the Annual Meeting, withdrawing the proxy and voting in person. Attendance at the Annual Meeting will not in and of itself constitute revocation of the proxy. If you have instructed your bank, broker, dealer or other nominee to vote your shares, you must follow directions received from your nominee to change those instructions.

13. Could other matters be decided at the Annual Meeting?

As of the date this Proxy Statement went to press, the Board of Directors did not know of any matters which will be brought before the Annual Meeting other than those specifically set forth in the Notice hereof. However, if any other matter properly comes before the Annual Meeting, it is intended that the proxies, or their substitutes, will vote on such matters in accordance with their best judgment.

14. Who is paying for the cost of this proxy solicitation?

Solicitation of proxies will be primarily by mail, although some of the officers, directors and employees of the Company may solicit proxies personally or by telephone, facsimile or electronic mail. All expenses incurred in connection with this solicitation will be borne by the Company. The Company will reimburse brokers and others who incur costs to send proxy materials to beneficial owners of stock in the name of a broker or nominee.

15. I share an address with another shareholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

The SEC rules permit brokers and other persons who hold the Company's shares for beneficial owners, to participate in a practice known as "householding," which means that only one copy of the Proxy Statement and annual report will be sent to multiple shareholders who share the same address unless other instructions are provided to the Company. Householding is designed to reduce printing and postage costs and therefore results in cost savings for the Company. If you receive a household mailing this year and would like to have additional copies of this Proxy Statement and/or the 2019 Annual Report mailed to you, or if you would like to opt out of this practice for future mailings, please contact your broker or other nominee record holder, or submit your request to:

Bridgford Foods Corporation
1308 North Patt Street
Anaheim, California 92801
Attention: Corporate Secretary
Phone: (714) 526-5533

Upon receipt of any such request, the Company agrees to promptly deliver a copy of this Proxy Statement and/or the 2019 Annual Report to you. In addition, if you are currently a shareholder sharing an address with another shareholder and wish to receive only one copy of future proxy materials for your household, please contact us using the contact information set forth above.

16. Where can I find voting results of the Annual Meeting?

We will announce preliminary voting results with respect to each proposal at the Annual Meeting. In accordance with SEC rules, final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting, unless final results are not known at that time in which case preliminary voting results will be published within four business days of the Annual Meeting and final voting results will be published once they are known by the Company.

17. What is the deadline to submit shareholder proposals or director nominations for the 2021 Annual Meeting?

Proposals of shareholders intended to be presented at the 2021 Annual Meeting of Shareholders must be received at the Company's principal office no later than 120 days prior to the first anniversary of the date on which the proxy materials for the 2020 Annual Meeting were first sent to shareholders for inclusion in the Proxy Statement and form of proxy relating to that meeting. However, if the date of the 2021 Annual Meeting of Shareholders has been changed by more than 30 days from the date of the 2020 Annual Meeting, then the deadline is a reasonable time before the Company begins to print and send its proxy materials. Matters pertaining to such proposals, including the number and length thereof, eligibility of persons entitled to have such proposals included and other aspects are regulated by the Securities Exchange Act of 1934 and the rules and regulations of the SEC.

Additionally, any shareholder desiring to submit a proposal for action or to nominate one or more persons for election as directors at our 2021 Annual Meeting of Shareholders must submit a notice of the proposal or nomination including the information required by our bylaws to the Company's Corporate Secretary, c/o Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California 92801, between 60 and 90 days prior to the first anniversary of the date on which the proxy materials for the 2020 Annual Meeting were first sent to shareholders, or else it will be considered untimely and ineligible to be properly brought before the Annual Meeting. However, if our 2021 Annual Meeting of Shareholders is not held within 30 days of the first anniversary of the 2020 Annual Meeting, under our bylaws, this notice must be provided not later than the close of business on the tenth day following the date on which notice of the date of the 2021 Annual Meeting of Shareholders is first mailed to shareholders or otherwise publicly disclosed, whichever first occurs.

18. Where can I find information about the Annual Report of the Company?

The Company will furnish without charge to each person whose proxy is being solicited, upon request of any such person, a copy of the Annual Report of the Company on Form 10-K for the fiscal year ended November 1, 2019, as such was filed with the SEC, including financial statements and associated schedules. Such report was filed with the SEC on January 24, 2020 and is available on the SEC's website at www.sec.gov, as well as the Company's website at www.bridgford.com. Requests for copies of such report should be directed to:

Bridgford Foods Corporation
1308 North Patt Street
Anaheim, California 92801
Attention: Corporate Secretary

19. Whom should I contact with other questions?

If you have additional questions about this Proxy Statement or the Annual Meeting, or if you would like additional copies of this Proxy Statement, please contact:

Bridgford Foods Corporation
1308 North Patt Street
Anaheim, California 92801
Attention: Corporate Secretary
Phone: (714) 526-5533

PROPOSAL 1

ELECTION OF DIRECTORS

The directors of the Company are elected annually to serve until the next annual meeting of the shareholders or until their respective successors are elected and duly qualified. At the Annual Meeting, nine directors have been nominated for election. The election of directors shall be by the affirmative vote of the holders of a plurality of the shares voting in person or by proxy at the Annual Meeting. Every shareholder, or his or her proxy, entitled to vote upon the election of directors may cumulate his or her votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his or her shares are entitled, or distribute his or her votes on the same principle among as many candidates as he or she deems appropriate. No shareholder or proxy, however, shall be entitled to cumulate votes unless such candidate or candidates have been nominated prior to the voting and the shareholder has given notice at the meeting, prior to the voting, of the shareholder's intention to cumulate such shareholder's votes. If any shareholder gives such notice, all shareholders may cumulate their votes for candidates in nomination. All nominees are presently directors of the Company. All directors were elected to the Board of Directors by the Company's shareholders at the 2019 Annual Meeting, except for (i) Allan L. Bridgford, Sr. who was appointed by the Board of Directors on August 12, 2019 to fill the vacancy created by the resignation of Bruce H. Bridgford, and (ii) Mary Schott who was appointed by the Board of Directors on October 15, 2019 to fill the vacancy created by the resignation of Paul R. Zippwald. All current directorships are being filled.

Unless otherwise instructed, shares represented by the proxies will be voted "FOR" the election of each of the nominees listed below. Broker non-votes and proxies marked "WITHHELD" as to one or more of the nominees will result in the respective nominees receiving fewer votes. However, the number of votes otherwise received by the nominee will not be reduced by such action.

Each nominee has indicated that he is willing and able to serve as director if elected. In the event that any of such nominees shall become unavailable for any reason, an event which management does not anticipate, it is intended that proxies will be voted for substitute nominees designated by management.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE DIRECTOR NOMINEES NAMED BELOW.

The following table and biographical summaries set forth, with respect to each nominee for director, his or her age, his or her principal occupation and the year in which he or she first became a director of the Company. Data with respect to the number of shares of the Company's common stock beneficially owned by each of such persons as of January 31, 2020 appears under the caption "PRINCIPAL SHAREHOLDERS AND MANAGEMENT" below.

Name	Age	Principal Occupation	Year First Became Director
William L. Bridgford	65	Chairman of the Board and Member of the Executive Committee of the Company (1)(4)	2004
Allan L. Bridgford, Sr.	84	Vice President and Chairman of the Executive Committee of the Company (1)(4)	1952
Allan L. Bridgford, Jr.	61	Retired Executive of the Company (1)(4)	2011
Todd C. Andrews	54	Vice President and Controller of Public Storage (2)(3)(4)	2004
Raymond F. Lancy	66	Chief Financial Officer, Vice President, Treasurer and Member of the Executive Committee of the Company (4)	2013
Keith A. Ross	57	Real Estate Consultant (4)	2016
Mary Schott	58	Chief Financial Officer of California Commerce Club, Inc. (2)(3)(4)	2019
D. Gregory Scott	63	Managing Director of Peak Holdings, LLC (2)(3)(4)	2006
John V. Simmons	64	President and Member of the Executive Committee of the Company (4)	2011

(1) William L. Bridgford and Allan L. Bridgford, Jr. are cousins. William L. Bridgford is the nephew of Allan L. Bridgford, Sr. Allan L. Bridgford, Sr. is the father of Allan L. Bridgford, Jr.
(2) Member of the Compensation Committee.
(3) Member of the Audit Committee.
(4) Member of the Nominating Committee.

Directors

William L. Bridgford

William L. Bridgford has served as Chairman of the Board since March of 2006. He previously served as President of the Company from June of 2004 until March of 2006, and Secretary of the Company for more than five years. Mr. Bridgford has been a full-time employee of the Company since 1981. He has also served as a member of the Executive Committee since 2004. Mr. Bridgford is a graduate of California State University, Fullerton with a degree in Business Management.

Mr. Bridgford is one of the principal owners of Bridgford Industries Incorporated, the Company's majority shareholder. He brings to the Board extensive experience in the operations of the Company and provides strong leadership skills that provide strategic business guidance to the Company. The Board believes his executive managerial experience and Company knowledge base combined with his understanding of corporate values and culture qualify him to serve as a member of the Board.

Allan L. Bridgford, Sr.

Allan L. Bridgford, Sr. has served as Vice President and Chairman of the Executive Committee since 2011. Mr. Bridgford retired from the Board in October 2011 and was reappointed to the Board in August 2019. He previously served as Senior Chairman of the Board from March of 2006 to October of 2011. From March of 1995 through March of 2006, Mr. Bridgford served as Chairman of the Board. He has been an employee of the Company since 1957, and reduced his work schedule to 80% in March of 2000, 60% in March of 2005 and 50% in November 2014. Mr. Bridgford's base compensation was reduced by the same percentage as his regular work schedule reduction. Mr. Bridgford has also served as a member of the Executive Committee since 1972. He is a graduate of Stanford University with a degree in Economics.

Mr. Bridgford is one of the principal owners of Bridgford Industries Inc., the Company's majority shareholder. He has extensive knowledge of the Company's business and experience in the food industry developed during his long tenure with the Company. The Board believes he is qualified to serve as a director based on these experiences as well as his other valuable attributes and skills.

Allan L. Bridgford, Jr.

Allan L. Bridgford, Jr. served as President of Bridgford Foods Processing Corporation, formerly known as Bridgford Foods of Illinois, Inc., a division of the Company, from January 1983 until his retirement in October of 2002. Mr. Bridgford is a graduate of the University of Missouri with a degree in Economics.

Mr. Bridgford is one of the principal owners of Bridgford Industries Incorporated, the Company's majority shareholder. He brings to the Board extensive sales, marketing and distribution experience in the food industry. The Board believes these skills and experiences qualify him to serve as a member of the Board. In addition to his service on the Board, Mr. Bridgford provides business consulting services to the Company.

John V. Simmons

John V. Simmons has served as President of the Company and member of the Executive Committee since 2006. He previously served as Vice President of the Company for more than five years. Mr. Simmons earned a B.A. degree in Psychology from the University of Wisconsin.

Mr. Simmons has extensive knowledge and experience in the areas of marketing, product research and development, trade relations and operations developed as an employee of the Company since 1979. The Board believes these skills and experiences qualify him to serve as a member of the Board.

Todd C. Andrews

Todd C. Andrews is a Certified Public Accountant (inactive) and presently serves as Senior Vice President and Controller of Public Storage, a member of the S&P 500, headquartered in Glendale, California. Mr. Andrews has been employed by Public Storage since 1997. Mr. Andrews graduated cum laude with a Bachelor of Science degree in Business Administration with an emphasis in accounting and finance from California State University, Northridge, and received an Elijah Watt Sells award with high distinction on the November 1988 CPA exam.

Mr. Andrews has over 30 years of experience with responsibilities including financial reporting, strategic financial planning and analysis, capital markets, treasury operations, SEC reporting, Sarbanes Oxley internal controls and procedures, operational analysis, operational control design, real estate acquisition and development underwriting, and system design and implementation. In addition, Mr. Andrews brings a diverse set of perspectives to the Board from serving in positions in multiple industries, including public accounting, entertainment, retail, and real estate. The Board believes his skills and extensive experience qualify him to serve as a member of the Board. Mr. Andrews also qualifies as an audit committee financial expert and is financially sophisticated within the meaning of the NASDAQ Listing Rules.

Mary Schott

Mary Schott most recently was Chief Financial Officer and Corporate Secretary of California Commerce Club, Inc., a privately held gaming and hospitality company, for which she had served from March 2014 through January 2020. Prior to California Commerce Club, Ms. Schott served as Chief Financial Officer of San Manuel Band of Mission Indians, a sovereign tribal nation, and Chief Accounting Officer of First American Title Insurance Company, a publicly traded financial services company. Ms. Schott holds an EMBA from Claremont Graduate University and a bachelor's degree in Accounting from Cal Poly Pomona University. She is also a Certified Public Accountant and a member of the California Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Ms. Schott possesses leadership skills and a vast knowledge base on finance, accounting, strategic planning, risk management as well as decision support for portfolio development, acquisitions, divestures, and establishing governance protocols. The Board believes that these skills and experiences qualify her to serve as a member of the Board. Ms. Schott also qualifies as an audit committee financial expert and has financial sophistication as described in the NASDAQ Listing Rules.

D. Gregory Scott

D. Gregory Scott is a Certified Public Accountant (inactive) and currently serves as the Managing Director of Peak Holdings, LLC, an investment management company based in Beverly Hills, California. Mr. Scott has been with Peak Holdings, LLC for more than the past five years. Peak Holdings, LLC and its affiliates own and manage in excess of three million square feet of office, retail and warehouse space throughout the United States.

Mr. Scott has extensive financial and managerial experience, which the Board believes qualifies him to serve as a member of the Board. Mr. Scott also qualifies as an audit committee financial expert and has financial sophistication as described in the NASDAQ Listing Rules.

Raymond F. Lancy

Raymond F. Lancy has served as Treasurer of the Company for more than the past five years. He has also served as a member of the Executive Committee since 2001, Vice President since 2001 and Chief Financial Officer since 2003. Mr. Lancy is a Certified Public Accountant (inactive) and worked for ten years as an auditor at PricewaterhouseCoopers LLP. He earned a Bachelor of Science degree with a major in Administration with high honors from California State University, San Bernardino.

Mr. Lancy has extensive knowledge and experience in the areas of finance and management developed at PricewaterhouseCoopers LLP and as an employee of the Company since July of 1992 and as Chief Financial Officer since 2003. The Board believes these skills and experiences qualify him to serve as a member of the Board.

Keith A. Ross

Keith A. Ross is President of KR6, Inc., a commercial real estate consultant and continues as founder/principal of Centra Realty Corporation (discussed below). From August 2013 to 2018, Mr. Ross served as Executive Vice President of CT Realty, or CTR, a real estate investment, development and management company based in Newport Beach, California. At CTR, Mr. Ross oversaw all development and was responsible for sourcing, evaluating, and closing on all commercial development opportunities. In addition, Mr. Ross served on CTR's Executive Committee and Investment Committee. CTR was founded in 1994 and together with its affiliates and principals have developed, acquired and managed over $8 billion in industrial and office properties. Prior to joining CTR, from June 2009 to January 2014, Mr. Ross was Founder, President and CEO of Peligroso Spirits which sold to Diageo in London (the world's largest spirits company). From 2001 to present, Mr. Ross acts as Founder and Principal of Centra Realty Corporation, ranked as one of the most active real estate development companies in Orange County, California, where he oversaw the company's land acquisitions, capital raises of both equity and debt, architectural design, engineering, construction and sales/leasing efforts.

Mr. Ross began his professional career at the Koll Company and was with Koll for over a decade and served in various roles from project manager to marketing before leading the real estate development efforts of the company in Southern California. He currently serves on the Board of Directors and is a Co-Founder of Miocean, a nonprofit foundation that applies proven business approaches to curb the harmful effects of urban run-off pollution to the Ocean. Mr. Ross attended San Diego State University.

Mr. Ross has extensive real estate acquisition and development experience as well as project management and marketing expertise, which the Board believes qualifies him to serve as a member of the Bridgford Foods Board. In addition to his service on the Board, Mr. Ross continues to provide real estate consulting services to the Company.

Public Company Directorships

None of the directors have been a director of any other public company in the past five years.

Involvement in Certain Legal Proceedings

None of the directors have been involved in any legal events reportable under Item 401(f) of Regulation S-K during the last ten years.

Board Meetings

During fiscal year 2019, the Company's Board of Directors held ten regularly scheduled monthly meetings. All directors, with the exception of Mr. Allan Bridgford, Sr. who became a director on August 12, 2019, and Ms. Schott who became a director on October 16, 2019, attended at least 75% of the aggregate number of meetings of the Board of Directors and meetings of committees upon which they served.

Arrangements or Understandings with Directors

There are no agreements or understandings pursuant to which any of the directors was or is to be elected to serve as a director or nominee.

Further, none of our directors have agreements or arrangements with any person or entity, other than the Company, relating to compensation or other payments in connection with such director's service to the Company.

Controlled Company Status

The Company is considered a "controlled company" within the meaning of Rule 5615(c)(1) of the NASDAQ Listing Rules based on the approximate 78.8% ownership of the Company by Bridgford Industries Incorporated and is therefore exempted from certain independence requirements of the NASDAQ Listing Rules, including the requirement to maintain a majority of independent directors on the Company's Board of Directors and certain requirements with respect to the committees of the Board. Nevertheless, the Board of Directors has determined that Messrs. Andrews, Scott, and Ms. Schott are "independent directors" within the meaning of Rule 5605 of the NASDAQ Listing Rules.

Board Committees

The Board of Directors maintains three committees, the Compensation Committee, the Audit Committee and the Nominating Committee.

Compensation Committee

The Compensation Committee currently consists of three members, including Messrs. Scott (Chairman) and Andrews, and Ms. Schott. Each of the current members of the Compensation Committee is a non-employee director, and notwithstanding that the Company is a "controlled company" within the meaning of the NASDAQ Listing Rules, each member is independent as defined in Rule 5605(a)(2) of the NASDAQ Listing Rules. The Compensation Committee is responsible for establishing and administering the Company's compensation arrangements for all executive officers.

The Compensation Committee meets no less frequently than annually (and more frequently as circumstances dictate) to discuss and determine executive officer and director compensation. The Compensation Committee does not generally retain the services of any compensation consultants. However, from time to time it utilizes compensation data from companies that the Compensation Committee deems to be competitive with the Company in connection with its annual review of executive compensation. The Compensation Committee has the power to form and delegate authority to subcommittees when appropriate, provided that such subcommittees are composed entirely of directors who would qualify for membership on the Compensation Committee pursuant to applicable NASDAQ Listing Rules. See "Compensation Discussion and Analysis" and "Director Compensation."

The Compensation Committee held one meeting during fiscal year 2019. No additional compensation is typically paid to directors for participation on the Compensation Committee, however, the Company paid $1,000 to each Compensation Committee attendee due to the length of the meeting. The Compensation Committee operates under a written charter, which was adopted on October 11, 2010, and is attached as Exhibit A to this Proxy Statement. The charter is not available on the Company's website.

Audit Committee

The Audit Committee currently consists of Messrs. Andrews (Chairman) and Scott, and Ms. Schott.

The Audit Committee has been established in accordance with the rules and regulations of the SEC and each of the current members of the Audit Committee is an "independent director" as defined in Rule 5605(c)(2) of the NASDAQ Listing Rules. In addition, the Board has determined that each of Messrs. Andrews and Scott, and Ms. Schott qualify as "audit committee financial experts" as such term is used in the rules and regulations of the SEC.

The Audit Committee meets periodically with the Company's independent registered public accountants and reviews the Company's accounting policies and internal controls. It also reviews the scope and adequacy of the independent registered public accountants' examination of the Company's annual financial statements. In addition, the Audit Committee selects the firm of independent registered public accountants to be retained by the Company, subject to shareholder approval, pre-approves services rendered by its independent registered public accountants and pre-approves all related-party transactions.

The Audit Committee held six meetings during fiscal year 2019. Each of the members of the Audit Committee receives $350 to $550 per meeting depending on the length of each meeting attended. In addition, the Audit Committee holds a pre-earnings release conference with the Company's independent registered public accountants on a quarterly basis. The Audit Committee operates under an Amended and Restated Audit Committee Charter, which was approved on November 8, 2010, and is attached as Exhibit B to this Proxy Statement. The charter is not available on the Company's website.

Nominating Committee

The Board of Directors has decided that the full Board should perform the functions of a Nominating Committee for the Company. It made that decision because the Board believes that selecting new Board nominees is one of the most important responsibilities the Board members have to the Company's shareholders, and for that reason, all of the members of the Board should have the right and responsibility to participate in the selection process. Because of its status as a "controlled company" within the meaning of Rule 5615(c)(1) of the NASDAQ Listing Rules, the Company is not required to have a Nominating Committee comprised solely of independent directors. The Nominating Committee does not act pursuant to a written charter.

In its role as Nominating Committee, the full Board identifies and screens new candidates for Board membership. Nevertheless, actions of the Board, in its role as Nominating Committee, can be taken only with the affirmative vote of a majority of the independent directors on the Board, as defined by the NASDAQ Listing Rules.

Director Nomination Process

In identifying new Board candidates, the Board will seek recommendations from existing Board members and executive officers. In addition, the Board will consider any candidates that may have been recommended by any of the Company's shareholders who have made those recommendations in accordance with the shareholder nomination procedures described below. The Board, in its capacity as Nominating Committee, does not evaluate nominees recommended by shareholders differently from its evaluation of other director nominees. The Board also has the authority to engage an executive search firm and other advisors as it deems appropriate to assist in identifying qualified candidates for the Board.

Any shareholder desiring to submit a recommendation for consideration by the Board of a candidate that the shareholder believes is qualified to be a Board nominee at any upcoming shareholders meeting may do so by submitting that recommendation in writing, and in accordance with the time periods and information requirements set forth in the bylaws, to the Company's Corporate Secretary, c/o Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California 92801. No director nominations by stockholders have been received as of the filing of this Proxy Statement.

In assessing and selecting Board candidates, the Board will consider such factors, among others, as: the candidate's independence, experience, knowledge, skills and expertise, as demonstrated by past employment and board experience; the candidate's reputation for integrity; and the candidate's participation in local community and local, state, regional or national charitable organizations. When selecting a nominee from among candidates considered by the Board, it will conduct background inquiries of and interviews with the candidates the Board members believe are best qualified to serve as directors. The Board members will consider a number of factors in making their selection of a nominee from among those candidates, including, among others: whether the candidate has the ability, willingness and enthusiasm to devote the time and effort required of members of the Board; whether the candidate has any conflicts of interest or commitments that would interfere with the candidate's ability to fulfill the responsibilities of directors of the Company, including membership on Board committees; whether the candidate's skills and experience would add to the overall competencies of the Board; and whether the candidate has any special background or experience relevant to the Company's business.

Board Consideration of Diversity

The Board believes that differences in experience, knowledge, skills and expertise enhance the performance of the Board. Accordingly, the Board, in its capacity as Nominating Committee, considers such diversity in selecting and evaluating proposed Board nominees. However, the Board has not implemented a formal policy with respect to the consideration of diversity for the composition of the Board.

Board Leadership Structure and the Role of the Board in Risk Management Oversight

Board Leadership Structure.

The Board is currently comprised of a total of nine directors. One of those directors, William L. Bridgford, serves as the Chairman of the Board. In this capacity, he is principally charged with fulfilling the following duties:

- Presiding as the Chairman of the meetings of the Board of Directors;
- Serving as a conduit of information between the independent directors and members of management;
- Approving Board of Directors meeting agendas and schedules;
- Calling executive session meetings of the independent directors, as needed;
- Reviewing information sent to the Board of Directors;
- Working with the Chief Financial Officer and Corporate Secretary to ensure the Board has adequate resources to support its decision-making obligations;
- Meeting with shareholders as appropriate; and
- Such other responsibilities and duties as the Board of Directors shall designate.

The Company has not appointed a Chief Executive Officer. Instead, the Company has historically utilized an Executive Committee to serve in the capacity of Chief Executive Officer. The Board believes that the Executive Committee structure is appropriate for the Company because it requires a full committee of officers, each of whom bring their own experiences and perspectives to bear on their decision making, to discuss and vote on important decisions affecting the Company. The Company has utilized an Executive Committee in lieu of appointing a Chief Executive Officer for more than twenty years. See "Executive Officers" for further discussion about the role and membership of the Executive Committee.

The Chairman of the Board serves on the Executive Committee. Thus, the roles of Chairman of the Board and Chief Executive Officer are intertwined to some extent. While the other three members of the Executive Committee are also directors, five of nine members of the Board are not members of the Executive Committee. The Board believes that this structure properly maintains the independence of the Board as a whole, and of the Chairman of the Board, from the Executive Committee.

The Board's Role in Risk Management Oversight.

The responsibility for the day-to-day management of risk lies with the Executive Committee. Risk management is not viewed by the Executive Committee as a separate function, but rather is viewed as part of the day-to-day process of running the Company. It is the Board's responsibility to oversee the Executive Committee with respect to its risk management function and to ensure that the Company's risk management system is well-functioning and consistent with the Company's overall corporate strategy and financial goals. In fulfilling that oversight role, the Board focuses on the adequacy of the Company's overall risk management system. The Board believes that an effective risk management system will adequately identify the material risks to the Company's business, monitor the effectiveness of the risk mitigating policies and procedures, and provide the Executive Committee with input with respect to the risk management process.

Employee, Director and Officer Hedging

We have not adopted any practice or policy regarding the ability of our employees (including officers) or directors, or any of their designees, to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of our equity securities.

Code of Ethics

The Company adopted a code of ethics that is applicable to, among other individuals, its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and posted the code of ethics on its website at www.bridgford.com (and designated therein as the Code of Conduct). Any amendment or waiver to the Company's code of ethics that applies to its directors or executive officers will be posted on its website or in a report filed with the SEC on Form 8-K.

Communications with the Board

Shareholders may communicate with the Board or any of the directors by sending written communications addressed to the Board of Directors generally, or to any director(s), to Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California 92801, Attention: Corporate Secretary. All communications are compiled by the Corporate Secretary and forwarded to the Board or the individual director(s) accordingly.

Director Attendance at Annual Meetings

The Company does not currently have a specific policy regarding director attendance at annual shareholder meetings. However, directors are strongly encouraged to attend annual shareholder meetings. Nine directors (which represented all of the directors then serving on the Board of the Company) attended the Company's 2019 Annual Meeting of Shareholders.

Executive Officers

Members of the Company's Executive Committee, currently comprised of the four executive officers named below, act in the capacity of Chief Executive Officer of the Company.

The following four executive officers are elected annually to serve on the Executive Committee at the pleasure of the Board of Directors:

Allan L. Bridgford, Sr.	Vice President and Chairman of the Executive Committee (1)
William L. Bridgford	Chairman of the Board and Member of the Executive Committee (1)
John V. Simmons	President and Member of the Executive Committee
Raymond F. Lancy	Chief Financial Officer, Executive Vice President, Treasurer and Member of the Executive Committee

(1) William L. Bridgford is the nephew of Allan L. Bridgford, Sr.. Allan L. Bridgford, Sr. is the father of Allan L. Bridgford, Jr., who serves on the Company's Board of Directors.

A biographical summary regarding each of Allan L. Bridgford, Sr., William L. Bridgford, Raymond F. Lancy and John V. Simmons is set forth above under the caption "Directors."

Agreements or Understandings with Officers

There are no agreements or understandings pursuant to which any of the executive officers was or is selected to serve as an executive officer.

PRINCIPAL SHAREHOLDERS AND MANAGEMENT

The table below sets forth certain information known to the Company with respect to the beneficial ownership of the Company's common stock as of January 31, 2020 by each shareholder known by the Company to be the beneficial owner of more than 5% of the Company's common stock, by each director and nominee for director, by each executive officer named in the Summary Compensation Table and by all executive officers and directors as a group. The information as to each person or entity has been furnished by such person or group.

Amount and Nature of Shares Beneficially Owned

Name and Address of Beneficial Owner(1)	Sole Voting and Investment Power	Shared Voting and Investment Power(2)	Total Beneficially Owned(3)	Percentage of Outstanding Shares Beneficially Owned(3)
Bridgford Industries Incorporated 1707 Good-Latimer Expressway Dallas, TX 75226	7,156,396	—	7,156,396	78.8%
Allan L. Bridgford, Sr.	155,882	7,156,396	7,312,278	80.6%
Bruce H. Bridgford	—	7,156,396	7,156,396	78.8%
Baron R.H. Bridgford 170 North Green St. Chicago, IL 60607	1,654	7,156,396	7,158,050	78.9%
William L. Bridgford	7,461	7,156,396	7,163,857	78.9%
Allan L. Bridgford, Jr.	20,000	7,156,396	7,176,396	79.1%
Raymond F. Lancy	242	—	242	*
John V. Simmons 1707 Good-Latimer Expressway Dallas, TX 75226	363	—	363	*
Todd C. Andrews	200	—	200	*
D. Gregory Scott	8,550	—	8,550	*
Keith A. Ross	—	—	—	*
Mary Schott	—	—	—	*
All directors and executive officers as a group (9 persons)	7,406,173	7,156,396	7,406,173	81.6%

* Represents ownership of less than one percent (1%) of the outstanding shares.

(1) Unless otherwise indicated, the address of such beneficial owner is the Company's principal executive offices, which are located at 1308 North Patt Street, Anaheim, California 92801.

(2) Represents shares beneficially owned by Bridgford Industries Incorporated, a Delaware corporation ("BII") as reported on Amendment No. 1 to Schedule 13D filed with the SEC on February 7, 2017. Other than ownership of these shares, BII does not presently have any significant business or assets. Allan L. Bridgford, Sr., William L. Bridgford, Bruce H. Bridgford, Baron R.H. Bridgford and Allan L. Bridgford, Jr. presently own 18.47%, 7.77%, 9.99%, 9.34% and 4.18%, respectively, of the outstanding voting capital stock of BII. The remaining shares of BII capital stock are owned of record, or beneficially, by 32 additional members of the Bridgford family. The officers of BII jointly vote all of the Company's shares held by BII.

(3) Applicable percentage of ownership as of January 31, 2020 is based upon 9,076,832 shares of common stock outstanding. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to shares shown as beneficially owned. Except as otherwise indicated, and subject to community property laws where applicable, to the knowledge of the Company the persons listed above have sole voting and investment power with respect to all shares shown as beneficially owned by them.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, officers, and holders of more than 10% of the Company's common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock of the Company. To the Company's knowledge, based solely on the review of such filings made electronically with the SEC and written representations that no other reports were required, during the fiscal year ended November 1, 2019, all of the Company's officers, directors and 10% shareholders complied with all applicable Section 16(a) filing requirements.

REPORT OF THE AUDIT COMMITTEE

Pursuant to a meeting of the Audit Committee on January 14, 2020, the Audit Committee reports that it has: (i) reviewed and discussed the Company's audited financial statements with management; (ii) discussed with the independent registered public accountants the matters (such as the quality of the Company's accounting principles and internal controls) required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the Commission; and (iii) received the written disclosures and the letter from Squar Milner LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding its communications with the audit committee concerning independence, and has discussed with them their independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's annual report for the Company's fiscal year ended November 1, 2019.

AUDIT COMMITTEE

Todd C. Andrews, Chairman
D. Gregory Scott
Mary Schott

The foregoing Audit Committee Report shall not be deemed soliciting material, shall not be deemed filed with the SEC and shall not be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Compensation Overview

This section provides information regarding the compensation paid to the Company's "named executive officers" or "NEOs," all of whom are members of the Executive Committee. The Company has historically been and continues to be principally managed by the Executive Committee. The Executive Committee, as a unit, serves as the Company's "Chief Executive Officer." The Executive Committee currently consists of the following four members:

- Allan L. Bridgford, Sr., Vice President and Chairman of the Executive Committee
- William L. Bridgford, Chairman of the Board (Principal Executive Officer)
- John V. Simmons, President
- Raymond F. Lancy, Chief Financial Officer, Executive Vice President and Treasurer (Principal Financial Officer)

The Company's executive compensation program is overseen by the Compensation Committee, which is comprised of certain non-employee members of the Board. The basic responsibility of the Compensation Committee is to review the performance of the officers and key employees toward achieving the Company's strategic goals and to help ensure that the Company is able to attract and retain individuals who can lead the Company to achieve those goals.

One of the Company's primary strategic goals is to increase shareholder value while meeting its objectives for customer satisfaction, improved sales and financial performance, sound corporate governance, and competitive advantage. The Company's current emphases on controlling costs and improving profit margins on a consistent basis are also important factors which affect the Company's compensation decisions. The Compensation Committee's goal is to work with management to balance the Company's financial goals and circumstances with the need to attract, motivate and retain the fully qualified and capable individuals the Company needs to meet and surpass its customers' and shareholders' expectations in a highly-competitive industry.

Compensation Philosophy and Objectives

The core of the Company's executive compensation philosophy is to pay for performance. To that end, incentive bonus targets are set each year to reward excellent executive performance based upon the achievement of profit objectives by business units and the Company's overall profitability based on pretax income, thus stimulating all executives to assume broad responsibility for the Company's overall financial welfare and financial performance.

The Compensation Committee's guiding principles are as follows:

- Work with management to provide a compensation program that recognizes individual contributions as well as the Company's overall business results;
- Provide reasonable levels of total compensation which will enable the Company to attract and retain qualified and capable executive talent within its industry, while also considering the Company's current goals of controlling costs and effecting consistent improvements in its overall financial condition;
- Motivate executive officers to deliver optimum individual and business unit performance;
- Develop and retain a leadership team that is capable of successfully operating and growing an increasingly competitive and complex business in a rapidly changing industry; and
- Ensure that executive compensation-related disclosures are made to the public on a timely basis.

Role of the Compensation Committee

The compensation of all NEOs and other executive officers is determined by the Compensation Committee. The Compensation Committee met one time during fiscal year 2019. The primary responsibilities of the Compensation Committee include, without limitation, the following:

- Determine the compensation of the members of the Executive Committee, after taking into account the Board's assessment of the performance of the Executive Committee, as well as any other executive officers of the Company.
- Determine the compensation of the Chairman of the Board and the other directors of the Company.
- Assess the performance of the executive officers of the Company other than the members of the Executive Committee (whose performance is assessed by the Board).
- Review and make recommendations to the Board regarding the Company's compensation policies and philosophy.
- Review and make recommendations to the Board with respect to the employment agreements, severance agreements, change of control agreements and other similar agreements between the Company and its executive officers.
- Administer the Company's equity incentive plans, including the review and grant of stock option and other equity incentive grants.
- Review and discuss the Compensation Discussion and Analysis ("CD&A") section of the Company's annual proxy statement with management, and recommend to the Board that the CD&A be included in the Company's proxy statement as required.
- Produce an annual report on executive compensation for inclusion in the Company's proxy statement.
- As requested by Company management, review, consult and make recommendations and/or determinations regarding employee compensation and benefit plans and programs generally, including employee bonus and retirement plans and programs.
- Assist the Board and management in developing and evaluating potential candidates for executive officer positions.
- Advise the Board in its succession-planning initiatives for the Company's executive officers and other senior officers.

Role of Management in the Compensation Determination Process

The Company's senior management team, particularly the Chairman of the Board and the Chairman of the Executive Committee, support the Compensation Committee in the executive compensation decision-making process. At the request of the Compensation Committee, one or more members of the Executive Committee may present a performance assessment and recommendations to the Compensation Committee regarding base salaries, bonus payments, incentive plan structure and other compensation-related matters for the Company's executive officers (other than with respect to their own compensation).

Role of Compensation Consultant

The Compensation Committee has decided not to utilize the services of a paid compensation consultant after concluding that such a consultant would provide insufficient value compared to the cost.

Total Compensation for Executive Officers

The compensation packages offered to the Company's executive officers are comprised of one or more of the following elements:

- Base salary;
- Discretionary cash bonuses; and
- Post-retirement healthcare and pension benefits.

The Company does not have any formal policies which dictate the amount to be paid with respect to each element, nor does it have any policies which dictate the relative proportion of the various elements. The Company also does not have any formal policies for allocating between cash and non-cash compensation and short-term and long-term compensation. Instead, the Company relies on the judgment of the Compensation Committee and input and feedback from the management team, including in particular members of the Executive Committee. The Compensation Committee has no plans to adopt any such formulas, ratios or other such targets that might artificially dilute the Company's effectiveness in achieving its overall profit objectives. In fact, all of the Company's compensation policy decisions are made in the context of its current financial position and are subordinated to the Company's current goal of achieving overall profitability on an annual basis. Each of the compensation components is described in more detail below.

Base Salary

The Company provides executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. The purpose of base salary is to reward effective fulfillment of an executive's assigned job responsibilities, and to reflect the position's relative value to the Company and competitiveness of the executive job market. Base salaries for executive officers are determined based on the nature and responsibility of the position, salary norms for comparable positions at similar companies, the expertise and effectiveness of the individual executive, and the competitiveness of the market for the executive officer's services.

The Company has successfully held most base salaries at the low end of the competitive range in order to reduce its overall cost structure and to achieve systematic improvement in the financial performance of the business without incurring a large turnover in executive talent and leadership.

Any "merit increases" for the Company's executive officers are subject to the same budgetary constraints that apply to all other employees. Executive officer salaries are evaluated as part of the Company's annual review process and may be adjusted where justified in the context of the Company's current focus on profitability and controlling expenses.

For fiscal year 2019, the Compensation Committee set a base salary of $5,520 per week for each Executive Committee member, reduced on a pro-rata basis for any member working less than a full time schedule. This change represented a 3.3% increase in the base salary compared to fiscal year 2018, which was derived from management's assessment of the increase in the cost of living.

Discretionary Cash Bonuses

The Company's policy is to make a significant portion of each NEO's total compensation contingent upon the Company's financial performance. The Compensation Committee believes that the payment of cash bonuses based on the Company's financial success allows the Company to offer a competitive total compensation package despite relatively lower base salaries, while aligning a significant portion of executive compensation with the achievement of positive Company financial results. However, while the payment of these cash bonuses to the NEOs is generally correlated with the achievement of positive Company financial results, there are no specific performance targets communicated to the NEOs in advance, and the bonuses are ultimately paid at the discretion of the Compensation Committee after receiving input from the Chairman of the Board. For the fiscal year ended November 1, 2019, discretionary bonuses were awarded to the members of the Company's Executive Committee as disclosed in detail in the Summary Compensation Table.

Long-Term Equity-Based Incentive Compensation

The Compensation Committee has concluded that long-term stock-related compensation has very limited value as an employee incentive or retention tool because the Company's equity-based incentive awards have historically provided little or no value to the recipient. In addition, beginning in 2005, U.S. accounting rules required the Company to expense any stock option awards according to a formula which could impose a costly charge on the Company's income statements, thereby burdening or erasing its profit margins. Because of these factors, the Company has not granted stock options or restricted stock awards for many years. Instead, the Compensation Committee aims to align the interests of the NEOs with those of the Company's shareholders by creating a link between the payment of executive compensation and the achievement of Company financial goals as described above. The Company's 1999 Stock Incentive Plan expired by its own terms on April 29, 2009 and no additional stock options or restricted stock may be granted thereunder.

Pension and Retirement Benefits

Retirement Plan for Administrative and Sales Employees of Bridgford Foods Corporation. The Company has a defined benefit plan (the "Primary Benefit Plan") for certain of its employees not covered by collective bargaining agreements. The Primary Benefit Plan, administered by a major life insurance company, presently provides that participants receive an annual benefit on retirement equal to 1.5% of their total compensation from the Company during their period of participation from 1958. Benefits are not reduced by Social Security payments or by payments from other sources and are payable in the form of a monthly lifetime annuity commencing at age 65 or the participant's date of retirement, whichever is later. Effective May 12, 2006, future benefit accruals under the Primary Benefit Plan were frozen.

Supplemental Executive Retirement Plan. Retirement benefits otherwise available to certain key executives under the Primary Benefit Plan have been limited by the effects of the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") and the Tax Reform Act of 1986 ("TRA"). To offset the loss of retirement benefits associated with TEFRA and TRA, the Company has adopted a non-qualified "makeup" benefit plan (the "Supplemental Executive Retirement Plan"). Benefits will be provided under the Supplemental Executive Retirement Plan in an amount equal to 60% of each participant's final average earnings minus any pension benefits and primary insurance amounts available to them under Social Security. However, in all cases the benefits are capped at $120,000 per year for Allan L. Bridgford. Benefits provided under this plan for William L. Bridgford and Raymond F. Lancy are calculated at 50% of final average earnings, capped at $200,000 per year, without offsets for other pension or Social Security benefits.

Bridgford Foods Retirement Savings 401(k) Plan. The Company implemented a 401(k) plan effective May 13, 2006. The Company makes a matching contribution to each employee's account based on pretax contributions in an amount equal to 100% of the first 3% of compensation and 50% of the next 2% of compensation contributed to the Plan. Certain limitations on optional pre-tax contributions to the plan are imposed pursuant to the Internal Revenue Code of 1986, as amended. No amounts are contributed by the Company unless the employee elects to make a pretax contribution to the Plan.

Non-Qualified Deferred Compensation

Effective January 1, 1991 the Company adopted a deferred compensation savings plan for certain key employees. Under this arrangement, selected employees contributed a portion of their annual compensation to the plan. The Company contributed an amount to each participant's account by computing an investment return equal to Moody's Average Seasoned Bond Rate plus 2%. The purpose of the plan was to provide tax planning and supplemental funds upon retirement or death for certain selected employees and to aid in retaining and attracting employees of exceptional ability. Separate accounts are maintained for each participant to properly reflect his or her total vested account balance. No contributions or salary deferrals have been made in the past ten years.

Perquisites and Other Benefits

The Company provides its executive officers with various health and welfare programs and other employee benefits which are generally available on the same cost-sharing basis to all of its employees. However, in keeping with the Company's policy of controlling costs in connection with its profitability objectives, it does not provide any significant perquisites or other special benefits to its executive officers including, but not limited to, payment of club memberships, fees associated with financial planning, executive dining rooms or special transportation rights. The Company does not own an airplane and does not provide aircraft for executives for business or personal purposes.

The Company provides post-retirement healthcare benefits for certain executives and their spouses (who are within fifteen years of age of the employee) who have reached normal retirement age. This coverage is secondary to Medicare. Coverage for spouses continues upon the death of the employee. The maximum benefit under the plan is $100,000 per year per retiree. The combined gain on this plan during fiscal year 2019 was $20,000 for all active and retired participants.

The Company pays life and disability insurance premiums on policies for the Company's President under which he is the named owner and beneficiary.

Employment Agreements

The Company currently does not have any employment, severance, change of control or similar agreements with any of its NEOs. However, on August 12, 2019, the Company entered into a consulting agreement with Allan L. Bridgford, Sr., pursuant to which the Company will engage Mr. Bridgford to provide consulting services to the Company, commencing after his retirement from employment with the Company (including, without limitation, his position as Vice President and Chairman of the Executive Committee of the Company). Under the terms of the consulting agreement, Mr. Bridgford will provide to the Company consulting services, including, but not limited to, business development and strategic partnering, commencing on the date of his retirement and until such agreement is terminated by either party upon at least thirty (30) days' notice to the other party. Mr. Bridgford will be compensated at a rate of $20,833.33 per month and will be reimbursed for all reasonable out of pocket expenses incurred in rendering such services.

Refer to the compensation discussion below for information on pension, deferred compensation, and benefit-related payments payable in the event of a qualifying event such as employment termination, disability, death, or sale/merger/acquisition.

Tax and Accounting Implications

The Compensation Committee is responsible for considering the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which in fiscal year 2019 provided that it could not deduct compensation of more than $1,000,000 that is paid to its executive officers. The Company believes that the compensation paid under the current management incentive programs is fully deductible for federal income tax purposes. In certain situations, the Compensation Committee may approve compensation that will not meet the requirements for deductibility in order to ensure competitive levels of compensation for its executives and to meet its obligations under the terms of various incentive programs. However, the issue of deductibility has not come before the Compensation Committee in recent years and is not expected to be a concern for the foreseeable future.

Shareholder Advisory Vote on Executive Compensation and Frequency of Advisory Vote

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), the Company held an advisory (non-binding) shareholder vote on the compensation of the Company's NEOs (commonly known as a "say-on-pay" proposal), and a shareholder vote on the frequency of such say-on-pay proposal, at its 2017 Annual Meeting of Shareholders. At such meeting, the shareholders of the Company approved the overall compensation of the Company's NEOs and elected to hold a say-on-pay vote every three years. The Company's next say-on-pay shareholder vote will be at this Annual Meeting and the next shareholder vote on frequency shall be at the 2023 Annual Meeting of Shareholders.

Summary Compensation Table

The table below provides summary information concerning cash and certain other compensation paid to or accrued for the Company's NEOs during fiscal years 2018 and 2019, respectively. Each of the NEOs named below were also members of the Executive Committee during the referenced periods, which Committee acts in the capacity of Chief Executive Officer of the Company. See "Compensation Discussion and Analysis" for further discussion of compensation arrangements pursuant to which the amounts listed in the table below were paid or awarded and the criteria for such payment or award.

Name and Principal Position	Year	Base Salary($)(1)	Bonus($)	Stock Awards($)(2)	Option Awards($)(3)	Non-Equity Incentive Plan Compensation($)(4)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings($)(5)	All Other Compensation($)(6)	Total($)
Allan L. Bridgford, Sr.	2019	148,525	147,810	—	—	—	36,278	8,000	340,613
Vice President	2018	143,507	141,339	—	—	—	—	8,000	292,846
William L. Bridgford	2019	297,050	295,620	—	—	—	346,911	19,400	958,981
Chairman of the Board	2018	287,014	282,681	—	—	—	—	19,000	588.695
John V. Simmons	2019	297,050	295,620	—	—	—	127,392	43,776	763,838
President	2018	287,014	282,681	—	—	—	—	43,376	613,071
Raymond F. Lancy	2019	297,050	295,620	—	—	—	299,731	19,400	911,801
Chief Financial Officer	2018	287,014	282,681	—	—	—	—	19,000	588,695

(1) Years 2018 and 2019 were each 52 weeks.
(2) The Company did not grant any stock awards to any of the NEOs during fiscal years 2018 or 2019.
(3) The Company did not grant any option awards to any of the NEOs during fiscal years 2018 or 2019.
(4) The Company did not utilize any non-equity incentive plans in order to pay compensation to its NEOs in fiscal year 2019. While it is the Company's policy to provide each of the NEOs with an opportunity to earn cash bonuses that are correlated with the Company's financial performance, the payment of the bonuses are ultimately subject to the discretion of the Compensation Committee. See "Compensation Discussion and Analysis – Total Compensation for Executive Officers – Discretionary Cash Bonuses."
(5) This column includes the aggregate positive change in actuarial present value of each NEO's accumulated benefit under all defined benefit and supplemental pension plans. In accordance with SEC rules, to the extent the aggregate change in present value of all defined benefit and supplemental pension plans for a particular fiscal year would have been a negative amount, the amount has instead been reported as $0 and the aggregate compensation for the NEO in the "Total" column has not been adjusted to reflect the negative amount. In addition, to the extent that the change in present value of any particular defined benefit or supplemental pension plan for a particular year was a negative amount, the negative amount has not been used to offset the positive change in present value associated with the other applicable defined benefit or supplemental pension plans. The aggregate change in the present value of the non-qualified deferred compensation plan and pension and retirement benefits for the NEOs in fiscal years 2019 and 2018 was as follows: (i) for fiscal year 2019, Allan L. Bridgford, Sr. ($36,278), William L. Bridgford ($148,846), John V. Simmons ($127,392), and Raymond F. Lancy ($101,666), and (ii) for fiscal year 2018, Allan L. Bridgford, Sr. ($72,490), William L. Bridgford ($43,452), John V. Simmons ($39,477), and Raymond F. Lancy ($27,447).
(6) Consists of matching contributions to the Bridgford Foods Retirement Savings 401(k) plan made by the Company on behalf of each of the NEOs, except Allan L. Bridgford, Sr., and an $8,000 payment to offset the negative impacts arising from the cancellation of supplemental executive health benefits. In addition, the amount for Mr. Simmons includes premiums in the amount of $24,376 for life and disability insurance policies issued for the benefit of Mr. Simmons and his designees.

Narrative to Summary Compensation Table

See "Compensation Discussion and Analysis" for further discussion of compensation arrangements pursuant to which amounts listed under the Summary Compensation Table were paid or awarded and the criteria for such payment or award.

Grants of Plan-Based Awards

There were no stock options, restricted stock, restricted stock units or equity or non-equity-based performance awards granted to the Company's NEOs during fiscal years 2019 or 2018. The Company's 1999 Stock Incentive Plan expired by its own terms on April 29, 2009 and no additional stock options or restricted stock may be granted thereunder.

Outstanding Equity Awards at Fiscal Year-End

There were no outstanding options or stock awards held by any NEOs as of November 1, 2019.

Option Exercises and Stock Vested

There were no shares acquired upon the exercise of stock options or vesting of stock awards by any NEOs during fiscal years 2019 or 2018.

Pension Benefits

The tables below provide information concerning retirement plan benefits for each NEO and payments due upon certain termination scenarios.

Retirement Plan for Administrative and Sales Employees of Bridgford Foods Corporation

Normal Retirement: Benefits commence upon reaching the "Normal Retirement Date", which is the first day of the month on or after attainment of age 65. Pension benefit payments begin on the normal retirement date and continue until death.

Early Retirement: A participant may choose to retire up to ten years before the normal retirement date. If a participant retires early, the accrued pension will be reduced by a percentage to reflect the longer period over which pension benefits will be received. If a participant is married for at least one year and dies before retirement, a pension benefit will be payable to the surviving spouse for his or her life, provided certain eligibility requirements have been met.

Death Benefits: Payments to a surviving spouse will begin on the first day of the month following a participant's death but not sooner than the earliest date a participant could have elected to retire.

Disability Benefits: A disability benefit is the accrued pension credited to a participant as of the date of disability.

The years of credited service, present value of accumulated plan benefits and payments made during the fiscal year were as follows:

For the Fiscal Year ended November 1, 2019:

Name	Number of Years Credited Service	Present Value of Accumulated Benefit (1)	Payments During Fiscal Year
Allan L. Bridgford, Sr.	52	$ 845,273	$ 82,750
William L. Bridgford	46	$ 879,059	$ —
John V. Simmons	40	$ 712,725	$ —
Raymond F. Lancy	27	$ 635,798	$ —

(1) The assumed discount rate used was 3.00% to compute the present value of the accumulated benefit. The SOA RP-2014 Mortality Total Dataset, adjusted to 2006 with Scale MP-2018 was used and an expected return on assets of 7.00% was assumed.

For the Fiscal Year ended November 2, 2018:

Name	Number of Years Credited Service	Present Value of Accumulated Benefit (1)	Payments During Fiscal Year
Allan L. Bridgford, Sr.	51	$ 815,724	$ 80,738
William L. Bridgford	45	$ 730,213	$ —
John V. Simmons	39	$ 585,333	$ —
Raymond F. Lancy	26	$ 534,132	$ —

(1) The assumed discount rate used was 4.30% to compute the present value of the accumulated benefit. The SOA RP-2014 Mortality Total Dataset, adjusted to 2006 with Scale MP-2016, Scaling to RP-2014 Mortality Total Dataset, adjusted to 2006, with MP-2017 scaling was used and an expected return on assets of 7.00% was assumed.

Supplemental Executive Retirement Plan (SERP)

Payment of Retirement Benefit: All retirement, disability and death benefits shall be paid in monthly installments beginning on the commencement date following the participant's retirement, disability or death and shall continue for a period of fifteen years.

Normal Retirement: Benefits commence upon reaching the "Normal Retirement Date", which means the date on which the participant has both attained age 65 and completed at least ten years of participation. SERP benefit payments begin at the normal retirement date.

Early Retirement: A participant may choose to retire up to ten years before the normal retirement date if the participant has completed at least five years of participation. If a participant retires early, the SERP benefit will be determined based on the vested percentage attained as the time of retirement.

Death Benefits: If a participant dies prior to having commenced receipt of benefits and is eligible for benefits hereunder, the participant's beneficiary shall be entitled to receive an annual death benefit equal to the Normal Retirement Benefit determined as if the participant attained Normal Retirement Age on the date of his death, or, if after the Participant's Normal Retirement Date, equal to the Late Retirement Benefit. If a participant dies after having commenced receipt of benefits, benefits shall continue to be paid but to the Participant's Beneficiary at the same time and in the same form as the benefits would have been payable to the participant. No benefit will be payable to a participant's beneficiary if the participant terminates employment with the Company before he is eligible for a retirement benefit and thereafter dies.

Disability Benefits: A disability benefit is the vested percentage of SERP benefit credited to a participant as of the date of disability.

The present value of accumulated plan benefits and payments made during the fiscal year were as follows:

For the Fiscal Year ended November 1, 2019:

Name	**Present Value of Accumulated Benefit (1)**	**Payments During Last Fiscal Year**
Allan L. Bridgford, Sr.	$ —	$ —
William L. Bridgford	$ 2,426,211	$ —
John V. Simmons	$ —	$ —
Raymond F. Lancy	$ 2,426,211	$ —

(1) A 3.00% discount rate was used to compute the present values.

For the Fiscal Year ended November 2, 2018:

Name	**Present Value of Accumulated Benefit (1)**	**Payments During Last Fiscal Year**
Allan L. Bridgford, Sr.	$ —	$ —
William L. Bridgford	$ 2,228,146	$ —
John V. Simmons	$ —	$ —
Raymond F. Lancy	$ 2,228,146	$ —

(1) A 4.30% discount rate was used to compute the present values.

The following table estimates the present value of SERP benefits under different employment termination scenarios as of November 1, 2019:

Name	Present Value of Benefit Upon Voluntary Termination of Employment (1)	Present Value of Benefit if Disabled (1)	Present Value of Benefit Upon Death (1)	Present Value of Benefit Upon Involuntary Termination of Employment due to Sale/Merger/ Acquisition (1)
Allan L. Bridgford, Sr.	$ —	$ —	$ —	$ —
William L. Bridgford (2)	$ 2,426,211	$ 2,426,211	$ 2,426,211	$ 2,426,211
John V. Simmons	$ —	$ —	$ —	$ —
Raymond F. Lancy (2)	$ 2,426,211	$ 2,426,211	$ 2,426,211	$ 2,426,211

(1) In each scenario above, the benefit amount shown is calculated at November 1, 2019. A 3.00% discount rate was used to compute the present values. In the case of a voluntary termination, the participant shall be entitled to the vested portion of any such early retirement benefit but shall not commence receipt of such early retirement benefit until the commencement date following the date the participant would have attained the early retirement date had the participant remained employed by the Company. Upon a finding that the participant (or, after the participant's death, a beneficiary) has suffered an unforeseeable emergency, the Committee may at the request of the participant or beneficiary, and subject to compliance with Internal Revenue Code Section 409A, accelerate distribution of benefits under the SERP in the amount reasonably necessary to alleviate such unforeseeable emergency.

(2) Death benefits for William L. Bridgford and Raymond F. Lancy are paid in the form of a monthly annuity. The actual payment amount for William L. Bridgford and Raymond F. Lancy would be determined using a discount rate similar to the rate required for qualified plans. The rate assumed for these estimates is 3.00%.

The following table estimates future SERP payments under different termination scenarios as of November 1, 2019:

Name	Payment Upon Voluntary Termination of Employment	Payment if Disabled (1)	Death Benefit from Plan (2)	Involuntary Termination of Employment Due to Sale/Merger/ Acquisition
Allan L. Bridgford, Sr.	—	—	—	—
William L. Bridgford	$16,666.67 per month for 180 months beginning on 11/01/19	$16,666.67 per month for 180 months commencing after disability	$16,666.67 per month for 180 months beginning just after death	Lump Sum payment due at termination of $2,426,211
John V. Simmons	—	—	—	—
Raymond F. Lancy	$16,666.67 per month for 180 months beginning on 11/01/19	$16,666.67 per month for 180 months commencing after disability	$16,666.67 per month for 180 months beginning just after death	Lump Sum payment due at termination of $2,426,211

(1) Disability amount is decreased by any Company paid disability insurance policies, Social Security disability benefits, or other Federal or State disability programs. In the case of a voluntary termination, the participant shall be entitled to the vested portion of any such early retirement benefit but shall not commence receipt of such early retirement benefit until the commencement date following the date the participant would have attained the early retirement date had the participant remained employed by the Company. Upon a finding that the participant (or, after the participant's death, a beneficiary) has suffered an unforeseeable emergency, the Committee may at the request of the participant or beneficiary, and subject to compliance with Internal Revenue Code Section 409A, accelerate distribution of benefits under the SERP in the amount reasonably necessary to alleviate such unforeseeable emergency.

(2) Assumes death on November 1, 2019. The discount rate used to calculate the lump sum amount is 3.00%.

See "Compensation Discussion and Analysis – Total Compensation for Executive Officers — Pension and Retirement Benefits" for further discussion of the pension benefits contained in the tables above.

Non-Qualified Deferred Compensation

The table below provides information concerning deferred compensation plan benefits for each NEO during the fiscal year ended November 1, 2019.

Name	Executive Contributions in Fiscal Year	Company Contributions in Fiscal Year	Aggregate Earnings in Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Fiscal Year End
Allan L. Bridgford, Sr.	$ —	$ —	$ —	$ —	$ —
William L. Bridgford	$ —	$ —	$ —	$ —	$ —
John V. Simmons	$ —	$ —	$ —	$ —	$ —
Raymond F. Lancy	$ —	$ —	$ —	$ —	$ —

The table below provides information concerning deferred compensation plan benefits for each NEO during the fiscal year ended November 2, 2018.

Name	Executive Contributions in Fiscal Year	Company Contributions in Fiscal Year	Aggregate Earnings in Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Fiscal Year End
Allan L. Bridgford, Sr.	$ —	$ —	$ —	$ —	$ —
William L. Bridgford	$ —	$ —	$ —	$ —	$ —
John V. Simmons	$ —	$ —	$ —	$ —	$ —
Raymond F. Lancy	$ —	$ —	$ —	$ —	$ —

The following table estimates the present value of non-qualified deferred compensation benefits under different employment termination scenarios as of November 1, 2019:

Name	Present Value of Benefit at Termination of Employment	Present Value of Benefit if Disabled	Present Value of Benefit Upon Death	Present Value of Benefit Upon Involuntary Termination of Employment Due to Sale/Merger/ Acquisition
Allan L. Bridgford, Sr.	$ —	$ —	$ —	$ —
William L. Bridgford	$ —	$ —	$ —	$ —
John V. Simmons	$ —	$ —	$ —	$ —
Raymond F. Lancy	$ —	$ —	$ —	$ —

The deferred compensation amounts are calculated using a crediting rate equal to Moody's Average Seasoned Bond Rate, plus 2%. This rate is subject to fluctuation. Upon death, the deferred compensation benefits are paid in a lump sum equal to the individual's remaining account balance.

See "Compensation Discussion and Analysis – Total Compensation for Executive Officers – Non-Qualified Deferred Compensation" for further discussion of the non-qualified deferred compensation benefits contained in the tables above.

Director Compensation

The table on the next page summarizes the total compensation paid by the Company to directors who were not employees during fiscal year 2019. Directors who were employees did not receive any additional compensation for their services as directors.

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation	Total
Todd C. Andrews	$ 22,034	$ —	$ —	$ —	$ —	$ —	$ 22,034
Allan L. Bridgford, Jr.	$ 23,640	$ —	$ —	$ —	$ —	$ 688,484(1)	$ 712,124
Keith A. Ross	$ 23,640	$ —	$ —	$ —	$ —	$ —	$ 23,640
D. Gregory Scott	$ 27,140	$ —	$ —	$ —	$ —	$ —	$ 27,140
Mary Schott (2)	$ 2,930	$ —	$ —	$ —	$ —	$ —	$ 2,930
Paul R. Zippwald (2)	$ 24,840	$ —	$ —	$ —	$ —	$ —	$ 24,840

(1) Consists of (i) $207,000 paid and (ii) $481,484 to be paid over 3 years in equal annual installments to Allan L. Bridgford, Jr. for consulting services rendered to the Company. See "CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS" for further details.

(2) Mary Schott was appointed to the Board of Directors on October 15, 2019 to fill the vacancy created by the resignation of Paul R. Zippwald.

The Company uses cash compensation to attract and retain qualified candidates to serve on its Board of Directors. In setting director compensation, the Compensation Committee considers the demands that have been placed and will continue to be placed on the directors and the skill-level required by its directors. In addition, as with the Company's executive officers, compensation decisions for directors are made in the context of the Company's focus on controlling costs and increasing profitability.

The directors are not paid an annual retainer for their service on the Board. Instead, each non-employee director was paid $2,300 for each of the first two Board meetings attended during fiscal year 2019 and $2,380 for each subsequent Board meeting attended in fiscal year 2019. Members of the Audit Committee were paid $350 to $550 for each Audit Committee meeting attended in fiscal year 2019 depending on the length of the meeting. The members of the Compensation Committee were paid $1,000 additional compensation for their service in fiscal year 2019. Directors were not paid any additional compensation for their service on the Nominating Committee in fiscal year 2019.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Company's general legal counsel is the son of Allan L. Bridgford, Sr. For his legal counsel, he currently is paid a fee of $2,380 for each Board of Directors meeting attended. Total fees paid for attending Board of Directors meetings were $23,640 in fiscal year 2019 and $22,600 in fiscal year 2018. In addition, legal services are performed on behalf of the Company and billed by a firm in which he is a partner. Total fees billed for legal services under this arrangement for each of fiscal years 2019 and 2018 were approximately $75,000 and $173,000, respectively.

Director Allan L. Bridgford, Jr., son of Allan L. Bridgford, Sr., is providing business consulting services to the Company. The arrangement currently provides for business consulting services at $1,200 per day. Total fees billed under this arrangement were approximately $207,000 in fiscal year 2019 and $219,000 in fiscal year 2018. In addition, under a separate consulting arrangement for 2019, we accrued approximately $481,484 of profit sharing based on fiscal year 2019 profitability to be paid out in equal installments over the next three years.

Director Keith A. Ross provides real-estate consulting services to the Company. The arrangement currently provides for consulting services at $250 per hour. Total fees paid for consulting services were zero in fiscal year 2019 and $51,285 during fiscal year 2018.

Other than the relationships noted above, and as otherwise disclosed under "Compensation of Executive Officers – Employment Agreements," the Company is not aware of any related party transactions that would require disclosure as a related party transaction under SEC rules.

The Company's executive officers, directors, nominees for directors and principal shareholders, including their immediate family members and affiliates, are prohibited from entering into related party transactions with the Company that would be reportable under Item 404 of Regulation S-K without the prior approval of its Audit Committee (or other independent committee of the Board of Directors in cases where it is inappropriate for the Audit Committee to review such transaction due to a conflict of interest). Any request for the Company to enter into a transaction with an executive officer, director, or nominee for director, principal shareholder or any of such persons' immediate family members or affiliates that would be reportable under Item 404 of Regulation S-K must first be presented to the Audit Committee for review, consideration and approval. In approving or rejecting the proposed agreement, the Audit Committee will consider the relevant facts and circumstances available and deemed relevant, including but not limited to, the risks, costs, and benefits to the Company, the terms of the transactions, the availability of other sources for comparable services or products, and, if applicable, the impact on director independence. The Audit Committee shall only approve those agreements that, in light of known circumstances, are in or are not inconsistent with the Company's best interests, as determined in good faith by the Audit Committee (or other independent committee, as applicable). The requirement for the Audit Committee to review related-party transactions (defined as those transactions required to be disclosed under Item 404 of Regulation S-K) is set forth in the Amended and Restated Audit Committee Charter, which was approved on November 8, 2010.

PROPOSAL 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee of the Board of Directors has, subject to ratification by the shareholders, appointed Squar Milner LLP as the Company's independent registered public accounting firm for the fiscal year ending October 30, 2020.

The affirmative vote of a majority of the shares present or represented by proxy at the Annual Meeting and entitled to vote on the matter is required to ratify the appointment of Squar Milner LLP. Abstentions will have the same effect as votes "AGAINST" this proposal. Brokers have discretion to vote uninstructed shares with respect to this proposal. Accordingly, broker non-votes will not occur with respect to this proposal.

Proxies received in response to this solicitation will be voted "FOR" the approval of Squar Milner LLP unless otherwise specified in the proxy. In the event of a negative vote on such ratification, the Audit Committee of the Board of Directors will reconsider its selection. Representatives of Squar Milner LLP will be present at the meeting and available to respond to questions. They will have the opportunity to make a statement if they so desire.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF SQUAR MILNER LLP AS THE COMPANY'S INDEPENDENT ACCOUNTANTS FOR THE FISCAL YEAR ENDING OCTOBER 30, 2020.

Principal Accountant Fees and Services

Audit Fees

Fees charged by Squar Milner LLP for the audit of the Company's annual financial statements and the review of the financial statements included in the Company's quarterly reports on Form 10-Q for fiscal year 2019 were approximately $175,000. Fees charged by Squar Milner LLP for the audit of the Company's annual financial statements and the review of the financial statements included in the Company's quarterly reports on Form 10-Q for fiscal year 2018 were approximately $160,000.

Audit-Related Fees

Audit-related fees typically consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." These services may include consultations related to the Sarbanes-Oxley Act and consultations concerning financial accounting and reporting standards. There were no audit-related fees billed by Squar Milner LLP for fiscal year 2019 or fiscal year 2018.

Tax Fees

Tax fees are comprised of services that include assistance related to state tax compliance services and consultations regarding federal and state research and development tax credits. No fees were billed by Squar Milner LLP for tax consulting during fiscal 2019 or fiscal year 2018.

All Other Fees

All other fees are comprised of fees for initial planning for certification of internal controls over financial reporting. No such fees were billed by Squar Milner LLP for fiscal year 2019 or fiscal year 2018.

Policy on Audit Committee Pre-Approval of Audit Services and Permissible Non-Audit Services of Independent Accountants

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services performed by the independent registered public accountants. These services may include audit services, audit-related services, tax services and other services. During fiscal years 2019 and 2018, the Audit Committee approved all such services rendered by its independent registered public accountants. For audit services, the independent registered public accountants provide the Audit Committee with an audit plan including proposed fees in advance of the annual audit. The Audit Committee approves the plan and fees for the audit.

For non-audit services, the Company's senior management will submit from time to time to the Audit Committee for approval non-audit services that it recommends the Audit Committee engage the independent registered public accountants to provide during the fiscal year. The Company's senior management and the independent registered public accountants will each confirm to the Audit Committee that each non-audit service is permissible under all applicable legal requirements. A budget, estimating non-audit service spending for the fiscal year, will be provided to the Audit Committee along with the request. The Audit Committee must approve both permissible non-audit services and the budget for such services.

PROPOSAL 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Company is asking its shareholders to indicate their support for its NEO compensation as described in this Proxy Statement. This proposal, commonly known as a “say-on-pay” proposal, gives the Company's shareholders the opportunity to express their views on the compensation paid to the Company's NEOs. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the Company's NEOs and the philosophy, policies and practices described in this Proxy Statement. Accordingly, the Company is asking its shareholders to vote “FOR” the following resolution at the Annual Meeting:

> “RESOLVED, that the Company’s shareholders approve, on an advisory basis, the compensation of the NEOs, as disclosed in the Company’s Proxy Statement for the 2020 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the SEC.”

Adoption of the resolution will require the affirmative vote of a majority of the shares present or represented by proxy at the Annual Meeting and entitled to vote on the matter. Proxies received in response to this solicitation will be voted “FOR” approval of the compensation of the Company’s NEOs unless otherwise specified in the proxy. Abstentions will have the same effect as votes “AGAINST” the proposal. Brokers do not have discretion to vote uninstructed shares with respect to this proposal. Accordingly, if brokers do not receive voting instructions from beneficial owners of the shares, they will not be able to vote the shares and broker non-votes may occur with respect to this proposal. However, broker non-votes will not affect the outcome of the voting on the proposal because it requires the majority of the shares present or represented by proxy at the Annual Meeting (as opposed to a majority of the shares outstanding).

The “say-on-pay” vote is advisory, and therefore is not binding on the Company, the Compensation Committee or the Board of Directors. However, the Board and the Compensation Committee value the opinions of the shareholders and, to the extent there is any significant vote “AGAINST” the compensation of the NEOs as disclosed in this Proxy Statement, will consider the shareholders’ concerns and the Board and Compensation Committee will evaluate whether any actions are necessary to address those concerns. Unless the Board modifies its policy on the frequency of future “say-on-pay” advisory votes, the next “say-on-pay” advisory vote will be held at the 2023 Annual Meeting of Shareholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.

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EXHIBIT A

BRIDGFORD FOODS CORPORATION

COMPENSATION COMMITTEE CHARTER

(Effective October 11, 2010)

Introduction

The Compensation Committee (the **"Committee"**) of the Board of Directors of Bridgford Foods Corporation, a California corporation (the **"Company"**), shall have the purposes, responsibilities and authority described below. This Charter is intended to comply with applicable rules of The NASDAQ Stock Market, Inc. (**"NASDAQ"**) and to provide the Committee with direction in performing its responsibilities on behalf of the Company's Board of Directors. This Charter has been approved by the Company's Board of Directors (the **"Board"**).

The Purpose of the Compensation Committee

The purpose of the Committee is to assist the Board in meeting its responsibilities with regard to oversight and determination of executive compensation. Among other things, the Committee (a) reviews the performance of the members of the Executive Committee (who collectively serve as the Company's Chief Executive Officer), (b) reviews, recommends and approves the Company's compensation arrangements, including arrangements with executive officers and directors, (c) publishes a report to be included in the Company's annual proxy statement, and (d) administers the Company's equity incentive plans (including reviewing, recommending and approving stock option and other equity incentive grants to executive officers and directors).

Membership and Structure

The Committee shall be comprised of at least three (3) directors, each of whom must (i) meet the director independence requirements set forth in the listing rules of The NASDAQ Stock Market, Inc. and (ii) be "Non-Employee Directors" under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended. In addition, at least two (2) directors serving on the Committee must be qualified "outside directors" under Section 162(m) of the Internal Revenue Code, as amended, and related regulations. Each of the foregoing shall be determined by the Board. Appointment to the Committee, including the designation of the Chair of the Committee, shall be made by the full Board annually. Each member of the Committee shall serve at the pleasure of the Board and the Board has the authority to remove members from the Committee in its sole discretion.

Meetings of the Committee shall be held at such times and places as circumstances dictate (but no less frequently than annually), including by written consent. Meetings may be called by the Chair of the Committee or upon the request of any two of its members. The Chair of the Committee shall determine the time, place and method for holding and the agenda for all Committee meetings and, when present, shall preside over all Committee meetings. A majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee.

When necessary, the Committee shall meet in executive session outside of the presence of any executive officer of the Company. The Chair of the Committee (or his or her designee) shall keep record of the Committee's meetings and report on activities of the Committee to the full Board. In fulfilling its responsibilities, the Committee shall have authority to delegate its authority to subcommittees composed entirely of directors who would otherwise qualify for membership on the Committee, in each case to the extent permitted by applicable law.

Primary Responsibilities and Duties

In carrying out its purpose, the Committee shall have direct authority to perform the following responsibilities and duties (it being understood that the Committee may condition its approval of any compensation on Board ratification to the extent so required to comply with applicable tax law):

- determine the compensation of the members of the Executive Committee, after taking into account the Board's assessment of the performance of the Executive Committee, as well as any other executive officers of the Company.
- determine the compensation of the Chairman of the Board and the other directors of the Company.
- assess the performance of the executive officers of the Company other than the members of the Executive Committee (whose performance is assessed by the Board).
- review and make recommendations to the Board regarding the Company's compensation policies and philosophy.

- review and make recommendations to the Board with respect to the employment agreements, severance agreements, change of control agreements and other similar agreements between the Company and its executive officers.
- administer the Company's equity incentive plans, including the review and grant of stock option and other equity incentive grants.
- review and discuss the Compensation Discussion and Analysis (**"CD&A"**) section of the Company's annual proxy statement with management, and recommend to the Board that the CD&A be included in the Company's proxy statement as required.
- produce an annual report on executive compensation for inclusion in the Company's proxy statement.

- as requested by Company management, review, consult and make recommendations and/or determinations regarding employee compensation and benefit plans and programs generally, including employee bonus and retirement plans and programs.
- assist the Board and management in developing and evaluating potential candidates for executive officer positions.
- advise the Board in its succession-planning initiatives for the Company's executive officers and other senior officers.

Additional Powers and Responsibilities

In addition to the specific responsibilities set forth above, the Committee may:

- engage in an annual self-assessment with the goal of continuing improvement.
- annually review and reassess the adequacy of this Charter, and recommend any changes to the full Board.

- have the authority to engage independent legal, accounting and other advisers, as it determines necessary to carry out its duties, and to discuss matters with such advisers as the members of the Committee deem necessary or appropriate. The Committee shall have sole authority to approve the fees and retention terms of any such advisers.
- have sole authority to approve the ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company's bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee shall be at the Committee's sole discretion.

EXHIBIT B

BRIDGFORD FOODS CORPORATION

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

(As Adopted November 8, 2010)

One committee of the board of directors will be known as the audit committee and will be comprised of at least three members of the board. Committee members will be appointed by the board annually to serve until their successors are elected. Unless a chairperson is elected by the full board, the members of the audit committee may designate a chairperson by majority vote.

Only independent directors, as determined by the board, will serve on the audit committee. An independent director is free of any relationship that could influence his or her judgment as a committee member. An independent director may not be associated with a major vendor to, or customer of, the Company. When there is some doubt about independence, as when a member of the committee has a short-term consulting contract with a major customer, the director should excuse himself or herself from any decision that might be influenced by that relationship.

Apart from his or her capacity as a member of the board or any committee of the board, no audit committee member shall be an affiliated person of the Company or any Company subsidiary as required under applicable SEC and NASDAQ Marketplace Rules. Each member of the audit committee shall (i) be an independent director, as defined in NASDAQ Marketplace Rule 5605(a)(2) and the rules of the SEC (including, without limitation, Rule 10A-3 under the Securities Exchange Act of 1934), (ii) 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 (3) years, and (iii) be able to read and understand fundamental financial statements at the time of appointment, in accordance with the requirements set forth in NASDAQ Marketplace Rule 5605(c)(2)(A). In addition, at least one member must 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 in accordance with NASDAQ Marketplace Rule 5605(c)(2)(A). Further, at least one member must qualify as an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K.

As part of the commitment of the Company and board of directors to good governance practices, the audit committee regularly reviews its charter and recommends to the board changes to the charter. The board adopted this amended and restated charter on November 8, 2010.

The primary function of the audit committee is to assist the board in fulfilling its oversight responsibilities by reviewing (i) the financial information that will be provided to the shareholders and others, (ii) the systems of disclosure controls and internal controls management that the board of directors has established, (iii) the Company's compliance with legal and regulatory requirements, and (iv) all audit processes, including, but not limited to, the independent accountant's qualifications, independence, and performance.

GENERAL RESPONSIBILITIES

1. The audit committee provides open avenues of communication among the internal auditors, the independent accountant, and the board of directors.

2. The audit committee must report committee actions to the full board of directors and may make appropriate recommendations.

3. The audit 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.

4. The committee will meet at least four times each year or more frequently if circumstances make that preferable. The audit committee chairperson has the power to call a committee meeting whenever he or she thinks there is a need. The audit committee chairperson will provide the agenda for the committee's meetings and any member may suggest items for consideration. Briefing materials will be provided to the committee as far in advance of meetings as practicable. An audit 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 audit committee chairperson, a meeting may conclude with an executive session of the committee absent members of management.

5. The audit 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 employees of concerns regarding questionable accounting or auditing matters.

6. The audit committee shall establish procedures for the hiring of employees and former employees of the independent accountant.

7. The audit committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the board.

8. The committee will do whatever else the law, the Company's charter or bylaws, or the board of directors require.

RESPONSIBILITIES FOR ENGAGING INDEPENDENT ACCOUNTANTS

1. The audit committee will select (and recommend that the board submit for shareholder ratification, if applicable) the independent accountants for Company audits. The audit committee also will review and set any fees paid to the independent accountants, both for audit and lawfully permitted non-audit services, and review and approve dismissal of the independent accountants. The audit committee shall have the sole authority to approve the hiring and firing of the independent accountants and all compensation and retention terms with respect to any engagement of the independent accountants. The independent accountants shall report directly to the audit committee.

2. The audit committee shall review and evaluate the performance of the independent accountants 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.

3. The audit committee will approve in advance the retention of the independent accountants 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).

4. The audit committee will 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 audit 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 of directors and to the extent there are such relationships, monitor and investigate them.

5. The audit committee shall, at least annually, obtain and review a report by the independent accountants 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.

6. The audit committee will consider, in consultation with the independent accountant, the audit scope and procedural plans made by the independent accountant.

7. The audit committee will oversee the resolution of disagreements between management and the independent accountant, if they arise.

8. The audit committee will listen to management and the primary independent accountant if either believes there might be a need to engage additional auditors. The audit committee will decide whether to engage an additional firm and, if so, which one.

RESPONSIBILITIES FOR REVIEWING THE ANNUAL EXTERNAL AUDIT AND THE REVIEW OF QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

1. The audit committee will confirm that the independent accountant (i) views the committee as its client, (ii) will be available to the full board of directors at least annually, and (iii) provides the committee with a timely analysis of significant financial reporting issues.

2. The audit committee will review significant risks and exposures with management and the independent accountant and will assess management's steps to minimize them.

3. The audit committee will review the following with the independent accountant and management:

(a) 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.

(b) Any significant finding and recommendations made by the independent accountant together with management’s responses to them.

4. Shortly after the annual examination is completed, and prior to filing with the SEC, the audit committee will review the following with management and the independent account:

   (a) The Company’s annual financial statements and related footnotes.

   (b) The independent accountant’s audit of and report on the financial statements.

   (c) The effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the Company’s financial statements, if any.

   (d) 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.

   (e) 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.

   (f) 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.

   (g) All alternative treatments of financial information within GAAP that have been discussed with management, the ramifications of each alternative, and the treatment preferred by the Company.

   (h) Anything else about the audit procedures or findings that GAAP requires the auditors to discuss with the committee.

5. The audit committee will review all material written communications between the independent accountant and management.

6. The audit committee will review annual filings with the SEC and other published documents containing the Company’s financial statements, including but not limited to earnings press releases, and will consider whether the information in the filings is consistent with the information in the financial statements. The audit committee will pay particular attention to any pro forma or adjusted non-GAAP financial information.

7. The audit committee will 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(s) before those interim results are released to the public in an earnings release or filed with the SEC or other regulators. The audit committee shall direct the Company’s independent accountants to review such interim financial statements using professional standards and procedures for such reviews.

8. The audit committee will 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 will also prepare a report for the Company’s proxy statement in accordance with the requirements of Item 407(d)(3) of Regulation S-K and any other item required for inclusion in this proxy statement.

9. In connection with each periodic report of the Company, the audit committee will review:

   (a) management’s disclosure to the committee under Section 302 of the Sarbanes-Oxley Act of 2002.

   (b) 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.

OVERSIGHT OF INTERNAL AUDIT

1. The audit 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”).

2. When the internal audit function is established, the audit committee shall oversee the activities, organizational structure and qualifications of the internal audit function.

3. The audit 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.

4. The audit committee shall review the regular internal reports to management (or summaries thereof) prepared by the internal audit function, as well as management's response.

5. The audit 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.

6. The audit committee shall review the effectiveness of the internal audit function.

PERIODIC RESPONSIBILITIES

1. The audit committee shall review and update its charter at least annually and recommend to the board of directors any necessary amendments.

2. The audit 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.

3. The audit 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.

4. The audit committee shall review, in conjunction with counsel at the discretion of the audit 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.

5. The audit committee shall provide oversight and review of the Company's risk management policies, including an annual review of the Company's investment policies and performance for cash and short-term investments.

6. The audit committee shall meet with the independent accountants and management in separate executive sessions to discuss matters the committee or these groups believe should be discussed privately with the audit committee. The audit committee may meet separately with the Company's chief executive officer and chief financial officer to review the financial affairs of the Company, including a review of the Company's internal controls. The audit committee will meet separately with the independent accountants of the Company at such times as it deems appropriate to review the independent accountant's examination and management report.

7. In consultation with the independent accountants and the internal audit function (if applicable), the audit committee shall review the integrity of the Company's financial reporting processes (both internal and external).

8. As the audit committee deems appropriate, it shall obtain advice and assistance from outside legal, accounting, or other advisors; in this regard, the audit committee shall have the authority to engage, oversee, and require funding for outside legal, accounting, or other advisors.

9. The audit committee shall review and approve in advance all related party transactions (defined as those transactions required to be disclosed under Item 404 of Regulation S-K) for potential conflict of interest.

10. The audit committee shall conduct an annual performance assessment relative to the audit committee's purpose, duties, and responsibilities outlined herein.

COMPENSATION

1. The Company shall provide appropriate funding, as determined by the audit 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 audit committee pursuant to the terms of this charter; and (iii) ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties.

2. Members of the audit committee shall receive such fees, if any, for their service as audit committee members as may be determined by the board of directors 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 audit committee may not receive any compensation from the Company except fees that they receive for service as a member of the board of directors or any committee thereof and reasonable expense reimbursement.

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DIRECTORS

Todd C. Andrews
Vice President and Controller,
Public Storage, Inc.

Allan L. Bridgford
Chairman of the
Executive Committee
and Vice President

Allan L. Bridgford, Jr.
Consultant
(Formerly President of
Bridgford Foods of Illinois)

William L. Bridgford
Chairman

Raymond F. Lancy
Executive Vice President,
Chief Financial Officer,
Treasurer and member of
the Executive Committee

Keith A. Ross
Executive Vice President,
CT Realty

Mary Schott
CFO and Corporate Secretary,
California Commerce Club, Inc.

D. Gregory Scott
Managing Director,
Peak Holdings, LLC

John Simmons
President

OFFICERS

Allan L. Bridgford
Chairman of the
Executive Committee
and Vice President

Michael Bridgford
Assistant Secretary
and Vice President

William L. Bridgford
Chairman and member of
the Executive Committee

Chris Cole
Vice President

Bob Delong
Vice President,
Information Technologies

Raymond F. Lancy
Executive Vice President,
Chief Financial Officer,
Treasurer and member of
the Executive Committee

Cindy Matthews–Morales
Corporate Secretary
and Controller

John V. Simmons
President and member of
the Executive Committee

Daniel R. Yost
Senior Vice President

DIVISION MANAGERS

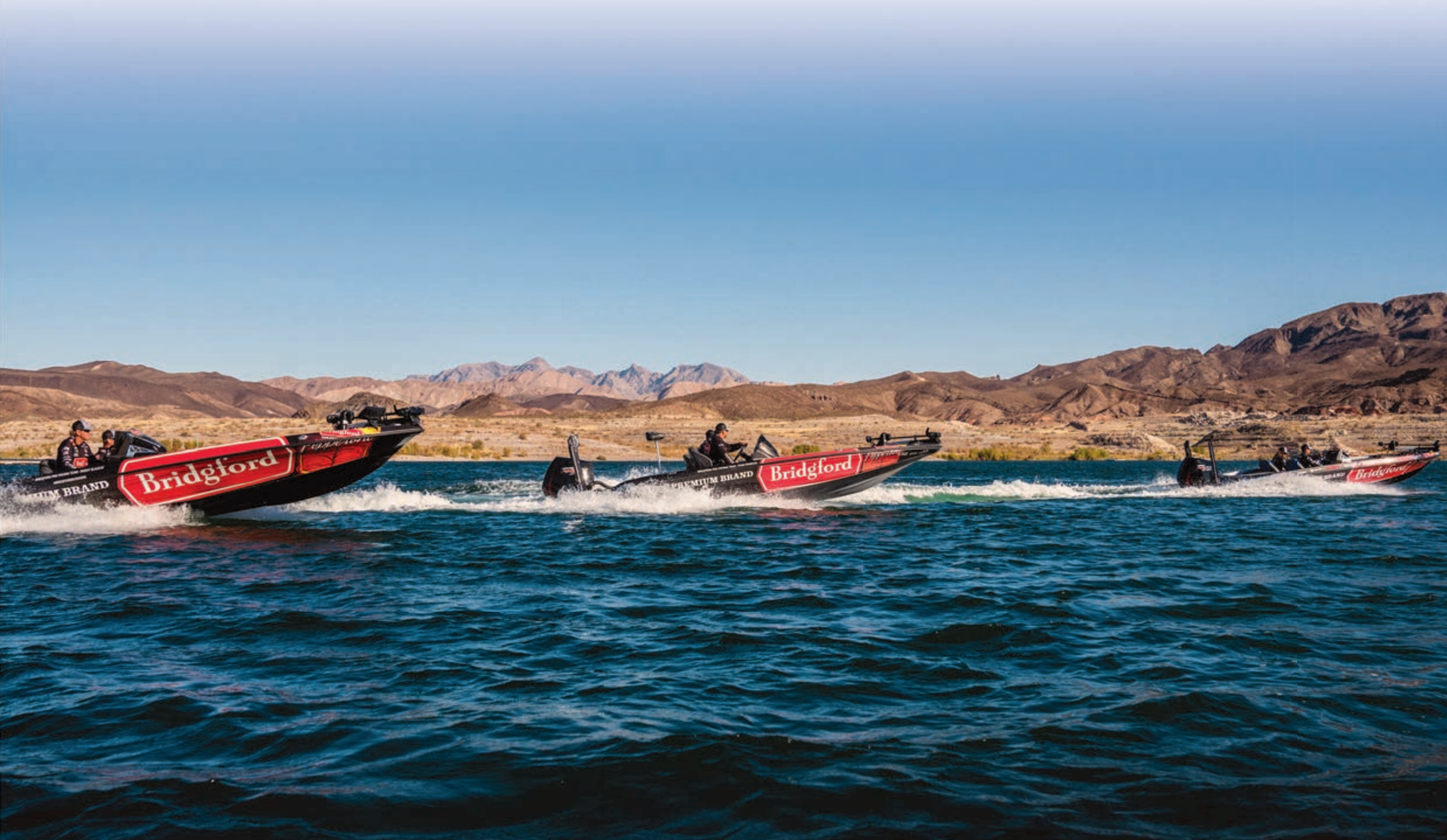
Baron R. H. Bridgford
President, Bridgford Processing
Company of Illinois
Bridgford Foods of Illinois

Blaine K. Bridgford
President
Dallas - Superior Foods Division

Monty Griffith
Vice President
Bridgford Foods of North Carolina

Jeffrey D. Robinson
Bakery Manager
Anaheim - Bread Division

Brandon Bridgford
William deAlcuaz
Bakery Managers
Dallas - Frozen-Rite Division



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