



**PRO FAC COOPERATIVE, INC.**  
**AUDIT COMMITTEE CHARTER**

The Audit Committee ("Audit Committee") is a committee of the Board of Directors of Pro-Fac Cooperative, Inc. (the "Company"), appointed by the Board to assist the Board of Directors in fulfilling its oversight responsibilities by:

1. Overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company;
2. Monitoring the integrity of the Company's financial statements;
3. Monitoring the independent auditor's qualifications and independence;
4. Monitoring the performance of the Company's external accountants and independent auditors; and
5. Monitoring the Company's compliance with legal and regulatory requirements.

***Organization and Membership***

The Audit Committee shall be comprised of no fewer than three members.

Each member of the Audit Committee shall meet the independence and experience requirements of The NASDAQ Stock Market, LLC ("NASDAQ") Marketplace Rules and the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder. All members of the Audit Committee shall have a working familiarity with basic financial and accounting practices, and must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, at the time of their appointment to the Audit Committee. No member of the Audit Committee shall have participated in the preparation of the financial statements of the Company at any time during the past three years. At least one Audit Committee member shall qualify as an "audit committee financial expert" as that term is defined by the Commission. Audit Committee members may be replaced by the Board of Directors.

In performing its duties, the Audit Committee will maintain effective working relationships with the Board of Directors, management, and the Company's external accountants and independent auditor. To effectively perform his or her role, each Audit Committee member will obtain an understanding of the detailed responsibilities of committee membership as well as of the Company's business, operations and risks.

***Audit Committee Meetings***

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly.

The Audit Committee may request that any director, officer or employee of the Company, or other person whose advice and counsel are sought by the Audit Committee, to attend a meeting of the Audit Committee or to meet any members of, or consultants to, the Audit Committee. The Audit Committee shall meet with the Company's independent auditor, management and the Company's external accountants in separate meetings as often as it deems necessary and appropriate in its judgment.

***Audit Committee Authority, Duties and Responsibilities:***

The Audit Committee shall be directly responsible for the appointment, compensation, retention (or termination) and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Company's independent auditor shall report directly to the Audit Committee. The Audit Committee shall have sole authority to appoint, terminate and replace the Company's independent auditor.

The Audit Committee has the authority to retain and compensate, as determined by the Audit Committee, independent legal, accounting or other advisers, consultants or experts, as the Audit Committee deems necessary or appropriate in the performance of its duties and responsibilities.

The Company shall provide for appropriate funding, as determined by the Audit Committee, for the payment of: • compensation to the Company's independent auditor (or any other registered public accounting firm engaged) for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company; • compensation to any advisers, consultants or experts employed by the Audit Committee; and • ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting and auditing matters.

The Audit Committee shall pre-approve all auditing services and permitted non-auditing services (including the fees and terms of such services) to be performed for the Company by its independent auditor, subject to the *de minimis* exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit. The Audit Committee may delegate to one or more designated members of the Audit Committee, the authority to grant pre-approvals of audit services and permitted non-audit services, provided that decisions of such designated member(s) to pre-approve one or more such services shall be reported to the full Audit Committee at its next scheduled meeting.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's independent auditor, its external accountants as well as to any officer or employee of the Company.

The Audit Committee shall prepare any report required to be prepared by it and included in the Company's Annual Report on Form 10-K by the rules of the Commission.

The Audit Committee shall make regular reports to the Board of Directors. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval. The Audit Committee shall annually perform a self-assessment of its performance.

The Audit Committee, to the extent it deems necessary or appropriate, shall:

Internal Control

Review with the Company's independent auditors, the Company's external accountants and management the adequacy and effectiveness of the Company's internal controls. This review should include management's assessment as to the effectiveness of the Company's internal control over financial reporting, including any material weaknesses in the Company's internal control over financial reporting identified by management.

Financial Reporting

1. Review and discuss with management and the Company's independent auditor the Company's annual audited financial statements to be included in the Company's Annual Report on Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" (the "MD&A") and any other financial disclosures therein, prior to their release to determine that the Company's independent auditor is satisfied with the disclosure and content of the financial statements to be presented.

2. Discuss with the Company's independent auditor the matters required to be discussed by Statement on Auditing Standards (SAS) 61 relating to the conduct of the audit, including difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

3. Receive and review, at least annually, a report from the Company's independent auditors relating to the firm's independence. To assist the Committee in assessing the firm's independence, the report shall describe all relationships between the independent auditor and the Company (including any significant fees for any anticipated non-audit services), including those required by the applicable requirements of the Public Company Accounting Oversight Board regarding the Independent Auditor's communications with the Committee concerning independence.

4. Determine whether to recommend, and, if so determined, recommend, to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.

5. Review and discuss with management and the Company's independent auditor the Company's quarterly financial statements to be included in the Company's Quarterly Reports on Form 10-Q, the Company's disclosures under MD&A and any other financial disclosures prior to their release to determine that the Company's independent auditor is satisfied with the disclosure and content of the financial statements to be presented.

6. Review and discuss with management and the Company's external accountants whether: • actual financial results for the quarter or interim period varied significantly; • any changes in financial information are consistent with changes in the Company's operations and financing practices; • there are any actual or proposed changes in accounting or financial reporting practices; • there are any significant or unusual events or transactions; • the Company's financial and operating controls are functioning effectively; and • the financial statements contain adequate and appropriate disclosures.

7. Review and discuss with management any sensitive or unusual items in the Company's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K prior to the filing of such reports with the Commission or other regulatory agencies.

8. Discuss with management and the Company's independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles.

9. Review and discuss quarterly reports from the Company's independent auditor on: • all critical accounting policies and practices to be used; • all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and • other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

10. Review and discuss disclosures made to the Audit Committee by the Company's principal executive officer and principal financial officer during the certification process for the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q about any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial information and/or any material weaknesses in such internal controls and/or any fraud involving management or other Company employees who have a significant role in the Company's internal control over financial reporting.

11. Discuss with management and the Company's external accountants the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

12. Discuss with management and the Company's independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements, and their impact on the Company's financial statements.

13. Discuss with management the Company's earnings press-releases, including the use of "pro forma" or "adjusted" non-GAAP financial information.

14. Review, with the Company's legal counsel, any legal matters that could have a material impact on the Company's financial statements or the Company's compliance policies.

15. Discuss with management and the Company's independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

16. Review documents and information to be filed with or furnished to the Commission and other published documents containing the Company's financial statements and consider whether the information contained in such documents is consistent with the information contained in the financial statements.

#### *Oversight of the Company's Independent Auditor*

1. Review and evaluate the lead partner of the independent auditor's team.

2. Meet with the Company's independent auditor prior to the audit to discuss the planning and staffing of the audit.

3. Review any proposed hiring of employees or former employees of the Company's independent auditor who participated in any capacity in the audit of the Company.

4. Obtain and review a report by the independent auditor, at least annually, describing: • the independent auditor's internal quality-control procedures and • 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. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and of the Company's external accountants. The Audit Committee shall report its conclusions with respect to the Company's independent auditor to the Board of Directors.

5. Discuss with the Company's independent auditor material issues on which either the internal review committee of the independent auditor was consulted by the Company's audit team or external audit consultation resources were required.

6. Review the qualifications of the Company's external accountants and concur in the appointment, replacement, reassignment, or dismissal of the Company's external accountants.

7. Confirm and ensure the independence of the Company's external accountants. Provide the Company's external accountants with unlimited access to Audit Committee members.

8. Periodically review with the Company's external accountants any significant difficulties, disagreements with management, scope restrictions encountered in the course of the Company's external accountants' work, and review significant reports to management prepared by the Company's external accountants and management's responses to the same.

9. Meet with management and the Company's external accountants and review any changes required in the planned scope of its audit plan; the Company's external accountants' compliance with the Institute of Internal Auditor's Standards for the Professional Practice of Internal Auditing.

10. Review with the Company's external accountants and the Company's independent auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

#### Compliance Oversight Responsibilities

1. Confirm with the Company's independent auditor that the auditor has neither detected nor become aware of any information impacted by Section 10A(b) of the Exchange Act.

2. Review and approve all "related-party transactions" (as defined by applicable NASDAQ Marketplace Rules), and oversee such related party transactions for potential conflicts of interest situations.

3. Review the effectiveness of the Company's system for monitoring compliance with laws and regulations and periodically obtain updates from management and legal counsel regarding such compliance.

4. Review the findings of any examinations by regulatory agencies, such as the Commission.

#### Compliance with Code of Conduct

1. Ensure that a code of conduct applicable to all directors, officers and employees of the Company is formalized in writing and communicated to all such Company directors, officers and employees, and oversee and update the same.

2. Oversee and update the Company's code of ethics for its principal executive officer and principal financial officer

The duties and responsibilities of a member of the Audit Committee are in addition to those duties set out for a member of the Board of Directors. The Audit Committee's specific responsibilities in carrying out its oversight role are set forth in an Audit Committee Responsibilities Checklist. The responsibilities checklist will be updated annually to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices. The Audit Committee shall maintain a separate file of the minutes of the Audit Committee meetings, all actions taken by the Audit Committee and all correspondence received by the Audit Committee in carrying out its duties and responsibilities.

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While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the Company's independent auditor.

**THE AUDIT COMMITTEE CHARTER HAS BEEN REVIEWED AND APPROVED AS OF MARCH 2009**

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