

## **DELTA AND PINE LAND COMPANY**

### **AUDIT COMMITTEE CHARTER**

#### **Purpose**

The Audit Committee (the "Committee") shall provide assistance to the Board of Directors (the "Board") of Delta and Pine Land Company (the "Company") in fulfilling their oversight responsibilities to the shareholders, potential shareholders, the investment community, and others relating to the Company's financial statements and the financial reporting process, the systems of internal control, the internal audit function, the qualifications, independence, and performance of the Company's independent auditor, the annual independent audit of the Company's financial statements, and the legal compliance and ethical business conduct programs as established by management and the Board. In doing so, it is the responsibility of the Committee to see that free and open communications are maintained between the Committee and the independent auditors, the internal audit function, and management of the Company.

#### **Composition and Qualifications**

The Committee shall consist of at least three members. The members and the chairperson of the Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee, and may be replaced by the Board. Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee, and such determination is disclosed as required by law.

The members of the Committee shall meet the independence, experience, and any other requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules and regulations of the Securities and Exchange Commission (the "Commission"), and the rules and regulations of the New York Stock Exchange. If one member of the Committee is not an "audit committee financial expert" as defined by the Commission, then that fact shall be disclosed as required by the Commission.

#### **Meetings**

The Committee shall meet in person or via teleconference as often as it determines is necessary, but at least four (4) times per year. The Committee shall meet with the independent auditor at least quarterly. The Committee shall meet periodically with management, the independent auditor, and the head of the internal audit function in separate executive sessions. The Committee may request any officer or employee of the Company or the Company's independent auditor or outside counsel to attend any meeting of the Committee or to meet with any of its members or advisors. The Committee shall prepare each year an annual calendar for meetings of the Committee, setting forth the number of meetings, meeting dates and duration, and the anticipated meeting agenda. The Committee chairperson will entertain modifications to the anticipated agenda from members of the Committee, management and the independent auditors,

and cause the revised agenda to be disseminated prior to each meeting. The Committee shall keep minutes of each of its meetings to properly document the discharge of its responsibilities and shall provide the Board with a report of each Committee meeting at the Board's next regularly scheduled meeting, especially of items of concern to the Committee.

### **Authority and Responsibilities**

The Committee shall have the sole authority to appoint or replace the independent auditor. The independent auditor shall report directly to, and be accountable to, the Committee. The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including the resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

The Committee shall pre-approve all audit services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit, pursuant to the Company's Pre-Approval Policy.

The Committee shall have the authority, to the extent that it deems necessary or appropriate to carry out its duties, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of compensation to any accounting firm engaged for the purpose of performing audit, review or other attest services for the Company, to any advisors employed by the Committee, and for the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

In addition, the Committee, to the extent that it deems necessary or appropriate, shall:

#### Oversight of Financial Statements and Related Disclosures

1. Review and consider with management and the independent auditor the Company's major financial risk exposures and the steps that management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies and guidelines.
2. Prior to the commencement of the audit of the Company's annual financial statements, review and consider with management and the independent auditor the scope, schedule, and staffing of the audit, and any new accounting and reporting pronouncements that affect the Company.
3. Prior to the filing of the Company's quarterly report on Form 10-Q, review and consider with management and the independent auditor the Company's quarterly financial statements (including the results of the independent auditor's review of the financial statements) and the Company's disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") section of the quarterly report.

4. Prior to the filing of the Company's annual report on Form 10-K (or the dissemination of its annual report to stockholders containing the Company's audited annual financial statements, whichever is earlier):
  - (a) review and consider with management and the independent auditor the Company's audited annual financial statements (including the results of the independent auditor's audit of the financial statements) and the Company's disclosures in the MD&A section of the annual report;
  - (b) recommend to the Board whether the audited annual financial statements should be included in the annual report; and
  - (c) review and discuss with management (including the senior individual responsible for the Company's internal audit function) and the independent auditor the Company's internal controls report and the independent auditor's attestation of the report.
5. As required by the rules of the Commission, prepare the report of the Committee to be included in the Company's annual proxy statement, including disclosures of pre-approval policies and auditors' fees, and cause this Charter to be included in the proxy statement periodically.
6. Review and consider with the independent auditor all matters required to be communicated to the Committee under generally accepted auditing standards, including the judgments of the independent auditor with respect to the quality, not just the acceptability, of the Company's accounting principles and underlying estimates in the financial statements.
7. Review and consider with management and the independent auditor the 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, any major issues as to the adequacy of the Company's internal controls, and any special steps adopted in light of material internal control deficiencies or weaknesses.
8. Review and consider with management and the independent auditor the reports from the independent auditor covering:
  - (a) critical accounting policies and practices to be used;
  - (b) alternative treatments of financial information within generally accepted accounting principles ("GAAP") for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and
  - (c) other material written communications between the independent auditor, the Committee, and management, including any engagement letter, independence letter, management representation letter, schedule of unadjusted audit differences, listing of adjustments and reclassifications not recorded, management letter, or report on observations and recommendations on internal controls, and the Company's response to any such letter or report.

9. Review with the independent auditor and the internal audit function any problems or difficulties encountered in the course of their audit work, including any restrictions on the scope of activities or access to requested information, any changes required in the planned scope of the internal or external audit, any attempt by management to improperly influence the independent auditor, and any significant disagreements with management over the application of accounting principles, the basis for management's accounting estimates and the disclosures in the financial statements.
10. Review and consider with the independent auditor any material communications between the audit engagement team and the independent auditor's national office regarding auditing or accounting issues presented by the engagement.
11. Review and consider with management and the independent auditors the Company's disclosure controls and procedures and its internal controls and procedures for financial reporting, including the conclusions of the Company's chief executive officer and chief financial officer regarding the effectiveness of both sets of controls and procedures reached as part of their certification process for the quarterly report on Form 10-Q and the annual report on Form 10-K, and their evaluation process.
12. Review and consider with management and the independent auditors (a) any significant deficiencies and material weaknesses in the design or operation of the Company's internal controls and procedures for financial reporting and (b) any fraud (whether or not material) that involves management or other employees who have a significant role in the Company's internal controls and procedures for financial reporting, in each case as disclosed to the Committee by the Company's chief executive officer and chief financial officer as part of their certification process for the quarterly report on Form 10-Q and the annual report on Form 10-K.
13. Review and consider with management and the independent auditors in advance of the Company's earnings press releases.
14. Review and consider with management and the independent auditors the Company's disclosure or release of non-GAAP financial measures commonly referred to as "pro forma" or "adjusted" financial information. The Committee need not discuss in advance each instance in which the Company discloses or releases non-GAAP financial measures; rather, the discussion may take the form of a general discussion of the Company's use of non-GAAP financial measures in its disclosures and releases.
15. Review and consider with management and the independent auditor the effect of material off-balance sheet arrangements on the Company's financial statements.
16. Review and consider with management and the independent auditor any accounting or other regulatory initiatives, correspondence with governmental or other regulatory agencies, and published reports that raise issues that may have a material effect on the Company's financial statements.

17. Review reports of the Company to the Commission and to stockholders with a view to consistency of non-financial disclosures therein with the Company's financial statements and financial data.

#### Oversight of Relationship with Independent Auditor

18. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review or peer review of the independent auditor, (c) any material issues raised by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditor, (d) any steps taken to deal with any issues described in the two preceding clauses, and (e) all relationships between the independent auditor and the Company.
19. Review the independence of the independent auditor; obtain from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard 1; actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or non-audit services that may impact the objectivity and independence of the independent auditor; and otherwise take such actions as are appropriate to oversee the independence of the independent auditor.
20. Evaluate the qualifications, performance, and independence of the independent auditor, including considering whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence. In making this evaluation, the Committee shall take into account the opinions of management and the internal auditing staff. The Committee shall present its conclusions with respect to the independent auditor to the Board.
21. Review and evaluate the lead partner and other members of the independent auditor's audit engagement team.
22. Ensure that the lead, concurring, and other audit partners are rotated off the independent auditor's audit engagement team as necessary to assure the independence of the independent auditor. Consider rotating the independent auditor on a regular basis in order to assure continuing auditor independence.
23. Recommend to the Board a policy for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company to assure the independence of the independent auditor, and monitor compliance with that policy.
24. Discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the Company's audit team.

### Oversight of Internal Auditing Function

25. Review and consider with management and the independent auditor whether the Company should create a separate internal auditing department.
26. Review and consider with management, the independent auditor, and the head of the internal auditing function the scope of the internal audits and the qualifications and adequacy of personnel performing the internal auditing function.
27. Review the appointment and replacement of the head of the internal auditing function.
28. Review the reports to management prepared by the internal auditing function and management's responses to such reports, or summaries of such reports and responses prepared by personnel performing the internal auditing function.
29. Evaluate the performance of the Company's internal auditing function, including its effectiveness and cost.

### Oversight of Compliance with Legal Requirements and Business Conduct Policies

30. Inquire of management, the independent auditor and the internal audit function whether there has been (a) any legal matter that may have a material effect on the Company's financial statements, (b) any instance of material non-compliance with applicable legal requirements, or (c) any instance of material non-compliance with the Company's business conduct policies, and review and consider any such matter with the Company's counsel or counsel selected by the Committee.
31. Obtain from the independent auditor its assurance that Section 10A(b) of the Exchange Act has not been implicated.
32. Establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company from any source regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by Company employees of their concerns regarding questionable accounting or auditing matters. The procedures shall provide for communicating to all employees of the Company the ability to, and method for, reporting such complaints to management of the Company, or to the Committee if the reporting person so desires.
33. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations relating to business conduct and with the Company's Code of Business Conduct and Ethics, and monitor complaints with respect thereto, all as they relate to accounting, financial reporting and auditing matters.
34. Regardless of the dollar amount thereof, review and approve all related party transactions, as contemplated in Item 404(a) of Regulation S-K, review executive perquisites and reimbursement expenses, along with related policies and procedures.

35. Discuss with management and the independent auditor any correspondence with regulators or government agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
36. Discuss with the Company's counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies and internal controls.

#### Miscellaneous Responsibilities

37. Inquire of management, the independent auditor and the internal audit function as to the adequacy of the Company's financial staff (both as to number and competence), and recommend any desired or necessary changes to the Board and to management.
38. Review and reassess on an annual basis the independence and qualifications of the members of the Committee, the adequacy of this Charter, and the performance and effectiveness of the Committee, and recommend any proposed changes to the Board for approval.
39. Investigate any other financial areas deserving of special attention by the Committee.

#### **Limitation of Audit Committee's Role**

While the Committee has the authority, powers, and responsibilities set forth in this Charter, it is not the duty of the 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 legal, accounting, and other requirements. These are the responsibilities of the Company's management and the independent auditor.