

# AUDIT COMMITTEE CHARTER

## **Seaboard Corporation Charter of the Audit Committee of the Board of Directors**

1. Audit Committee Purpose: The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:
  - Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance.
  - Be responsible for the appointment, compensation, retention and oversight of the Company's auditors, including resolution of disagreements between management and the auditors regarding financial reporting.
  - Monitor the independence and performance of the Company's independent auditors and internal auditing department.
  - Provide an avenue of communication among the independent auditors, management, the internal auditing department, and the Board of Directors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

2. Audit Committee Composition and Meetings: Audit Committee members shall meet the requirements of the NYSE American . The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be an independent director, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall be able to read and understand fundamental financial statements including a company's balance sheet, income statement and cash flow statement, and at least one member of the Committee shall be financially sophisticated, in that he or she has 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 but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities. Audit Committee members shall be appointed by the Board. If an audit committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership. The Committee shall meet at least four times annually, either in person or telephonically, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve

an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the director of the internal auditing department, the independent auditors, and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management and the independent auditors quarterly to review the Company's financial statements and significant findings based upon the auditors limited review procedures.

### 3. Audit Committee Responsibilities and Duties

#### Review Procedures

- Review and reassess the adequacy of the Charter at least annually. Submit the charter to the Board of Directors for approval and have the document published at least every three years in accordance with SEC regulations.
- Review the Company's annual audited financial statements prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices, and judgments.
- In consultation with the management, the independent auditors, and the internal auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors and the internal auditing department together with management's responses.
- Review with financial management and the independent auditors the Company's quarterly financial statements prior to filing or distribution. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors recommended in accordance with Statement on Auditing Standards No. 114 (SAS 114), "The Auditor's Communication with Those Charged with Governance".

#### Independent Auditors

- The independent auditors are ultimately accountable to the Audit Committee and the Board of Directors. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or recommend or approve any discharge of auditors when circumstances warrant.
- Approve the audit engagement letter, pre-approve all fees and other significant compensation to be paid to the independent auditors in accordance with the Audit Committee Policy.
- On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditors' independence. The Independent Auditors shall be required to furnish the Audit Committee, each year, with a written report of all its relationships with the Company.

- On an annual basis, the Committee will review and approve the independent auditors audit plan: discuss scope, staffing, locations, reliance upon management and internal audit and general audit approach.
- Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to audit committees in accordance with SAS 114.
- Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting. Discuss certain matters required to be communicated to the audit committee regarding the critical accounting policies with management and the independent auditors. Discuss all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management by the independent auditors, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent auditors.

#### Internal Audit Department

- Review and approve the plan, changes in plan, activities, organizational structure, department charter and qualifications of the internal audit department, as needed.
- Review and approve the appointment, performance, and replacement of the senior internal audit executive.
- Review significant reports prepared by the internal audit department together with management's response and follow-up to these reports.

#### Other Audit Committee Responsibilities

- On at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
- The 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 confidential, anonymous submissions by employees regarding questionable accounting or auditing matters.
- Annually prepare a report to shareholders as required by the Securities and Exchange Commission. The report should be included in the Company's annual proxy statement.
- Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate.
- Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.