

SANDERSON FARMS, INC. COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee is appointed by the Board to discharge the Board's responsibilities relating to the compensation of the Company's Chief Executive Officer (the "CEO") and all of the Company's other executive officers (together with the CEO, the "Executive Officers"). The Committee also has overall responsibility for reviewing and establishing all compensation plans, policies and programs of the Company as they affect the Executive Officers.

A report of the Compensation Committee as required under the rules of the Securities and Exchange Commission shall be included in the Company's proxy statement.

Committee Membership

The Compensation Committee shall consist of no fewer than three members. Subject to any exceptions provided for in the rules of The Nasdaq Stock Market ("Nasdaq"), each member of the Compensation Committee shall have been determined by the Board of Directors to be an "independent director" under the requirements of Nasdaq and shall also meet the additional independence requirements for compensation committee members set forth in the Nasdaq rules. The Board shall also consider whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company to determine whether such affiliation would impair the director's judgment as a member of the compensation committee. In addition, at least two members of the Committee shall qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code.

The members of the Compensation Committee shall be appointed by the Board upon the recommendation by the Nominating and Governance Committee. Compensation Committee members shall serve at the pleasure of the Board. The Board shall appoint one member as Committee Chairman and one member as Vice Chairman.

Committee Authority and Responsibilities

The Compensation Committee is directly responsible for establishing annual and long-term performance goals and objectives for the Executive Officers and the Company's key employees, as well as setting the overall compensation philosophy for the Company.

1. The Compensation Committee may, in its sole discretion, retain, obtain the advice of, or terminate any compensation consultant or legal, accounting or other advisers to the Committee. The Committee shall be directly and solely responsible for the appointment, compensation and oversight of the work of any consultant or adviser it retains, shall have sole authority to approve the adviser's fees and other terms and conditions of the

adviser's retention, and the Company shall provide appropriate funding, as determined by the Committee, for the payment of reasonable compensation to the consultant or adviser.

2. Subject to the exceptions and other requirements of the Nasdaq rules for compensation committees, the Committee may select or receive advice from a compensation consultant, legal counsel, accountant or other adviser, only after considering the factors listed below concerning the adviser's independence, or such other factors as the Nasdaq rules may from time to time require. As used below, the "Adviser" is the person who performs the consulting or advisory services, and the "Firm" is the business that employs the Adviser:
 - (a) The provision of other services to the Company by Adviser or the Firm;
 - (b) The amount of fees received from the Company by the Firm, as a percentage of the Firm's total revenue;
 - (c) The policies and procedures of the Adviser and the Firm that are designed to prevent conflicts of interest;
 - (d) Any business or personal relationship of the Adviser or the Firm with a member of the compensation committee;
 - (e) Any stock of the Company owned by the Adviser or the Firm; and
 - (f) Any business or personal relationship of Adviser or the Firm with an Executive Officer of the Company.

The Committee shall be permitted, if it chooses to do so, to select and/or receive advice from a consultant or adviser who is not independent, as long as the Committee conducts the assessment described above. The Committee shall make the independence assessment for a particular consultant or adviser at least annually as long as the consultant or adviser continues to advise the Committee.

3. The Compensation Committee shall, at least annually, review and determine the annual base salaries and annual incentive opportunities of the Executive Officers. The CEO shall not be present during any Committee deliberations or voting respecting his or her compensation. In addition, periodically and as and when appropriate, the Compensation Committee shall review and approve or ratify the following as they affect the Executive Officers: (a) all other incentive plans, awards and opportunities, including both cash-based and equity-based plans, awards and opportunities; (b) any employment agreements and severance arrangements; (c) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits and (d) any special or supplemental compensation and benefits for the Executive Officers and individuals who formerly served as Executive Officers, including supplemental retirement benefits and the perquisites provided to them during and after employment. In addition, the Compensation Committee shall administer the Company's stock plans and determine and amend awards under those plans for all employees. The Compensation Committee shall exercise all of the Board's authority under the Company's Stock Incentive Plan with

respect to all employees. From time to time as and when appropriate, the Compensation Committee shall also determine stock ownership guidelines for the Executive Officers and shall monitor compliance with those guidelines.

4. The Compensation Committee shall monitor the Company's compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers and with all other applicable laws affecting employee compensation and benefits.
5. The Committee shall oversee the Company's compliance with SEC rules and regulations regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under the rules of Nasdaq that stockholders approve equity compensation plans, which requirement is subject to limited exceptions.
6. The Compensation Committee may form and delegate its authority to subcommittees when appropriate, but any such subcommittee shall consist solely of persons who are members of the Compensation Committee.
7. The Compensation Committee shall meet as often as necessary to fulfill its responsibilities. The Committee Chairman shall preside at each meeting. In the event the Committee Chairman is not present at a meeting, the Vice Chairman shall preside. If neither the Chairman nor the Vice Chairman is present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting. The Committee shall make regular reports to the Board. It shall receive regular reports on the Company's compensation programs as they affect all employees.
8. The Compensation Committee shall review and discuss with management the Compensation Discussion and Analysis required to be included in the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the Securities and Exchange Commission, and based on that review and discussion, recommend to the Board whether or not such Compensation Discussion and Analysis be so included.
9. The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee shall annually review its own performance and report thereon to the Board.