

# ***DynCorp International Inc.***

Audit Committee Charter

As of March 5, 2014

## **I. PURPOSE**

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of DynCorp International Inc. (the "Company") shall be to:

- (a) provide Board oversight and review of the Company's accounting and financial functions and its financial reporting process in consultation with the Company's independent and internal auditors relating to (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the qualifications and independence of the Company's independent and internal auditors, and (iv) the performance of the internal audit function and independent auditors;
- (b) provide oversight of the Company's compliance with securities laws and regulations, including accounting, financial reporting and public disclosure requirements; and
- (c) assist the Board in monitoring the Company's Enterprise Risk Management process and key risks.

Except when such powers are by statute or regulation reserved to the Board, the Committee shall possess and may exercise the powers of the Board relating to all accounting and auditing matters for the Company.

## **II. COMPOSITION**

The Committee shall be a standing committee of the Board and consist of two or more members of the Board. Each member of the Committee shall be appointed by the Board and shall serve until his or her successor is duly elected and qualified, unless such member shall sooner resign or be removed, with or without cause, by the Board. The chairperson of the Committee shall be designated by the Board, provided that if the Board does not designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson. The Board may designate one or more members of the Board as alternate members of the Committee, who may replace any absent or disqualified member of the Committee at any meeting of the Committee.

### **III. DUTIES AND RESPONSIBILITIES**

Except as specifically provided herein or otherwise authorized by the Board, the Committee is limited to formalizing recommendations and submitting them to the Board for approval. In this context, the Committee is authorized to:

#### **1. Independent Audit Function**

- a) Appoint, compensate, retain and perform oversight on work of the independent auditors, reporting directly to the Committee;
- b) Approve or disapprove audit and non-audit services proposed to be performed for the Company by the independent auditor, review the scope of audit plans, and take appropriate action in response to reports filed by the independent auditor;
- c) Review with the independent auditors any significant audit problems or difficulties and management's response thereto, and be directly responsible for the resolution of disagreements between management and the independent auditors regarding the Company's financial reporting;
- d) Prior to the issuance of quarterly or annual earnings releases by the Company, but in no event later than the period prior to publicly disclosing the interim or annual report, require that the independent auditors advise the Committee of any matters identified during quarterly reviews or annual audits of the Company's financial statements that are required to be communicated to the Committee under generally accepted auditing standards;
- e) Ensure that the independent auditor submits to the Committee at least annually a report describing (i) all relationships and services that may impact its independence with respect to the Company; (ii) its internal quality-control procedures; and (iii) any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm; and the steps taken to deal with such issues;

- f) Evaluate the independent auditors' qualifications, performance and independence, including evaluation of the lead partner assigned to the Company's account, and monitor the rotation of the lead partner;
- g) Establish policies relating to the Company's hiring of current or former employees of the independent auditors; and
- h) Review the costs of all external accounting and related financial services to determine the reasonableness thereof.

2. Internal Audit and Financial, Operational and Compliance Risks

- a) Review the qualifications of the Company's lead internal auditor, the scope of the internal audit work plan for each year, and the Internal Audit Department's budget and staffing;
- b) Review the procedures and operations of the internal audit department and its activities and recommend improvements as appropriate;
- c) Review the Company's policies and practices with respect to assessing the Company's financial, operational, compliance and fraud risks, and the steps that have been taken to monitor and control such exposures;
- d) Provide oversight for the Company's Enterprise Risk Management process, and discuss with management key financial, operational and compliance risk exposures and the steps management has taken to monitor and mitigate such exposures;
- e) As appropriate, review significant findings issued by the Internal Audit Department and management's actions to address these findings; and
- f) Review the adequacy of the Company's insurance programs, including director and officer indemnification and liability insurance, and recommend as appropriate.

3. Financial Statements, Disclosures and Related Matters

- a) Review with the Company's management, independent auditors and internal auditors, as appropriate, the following:
- i. Major issues and changes with respect to the Company's application of accounting principles, presentation of financial statements, and the adequacy of the Company's internal controls;
  - ii. Any analyses prepared by management and/or the independent auditors setting forth significant accounting and financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative methods under generally accepted accounting principles on the financial statements; and
  - iii. The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company
- (b) Review with the Company's management the type and presentation of information included in its earnings press releases, especially the use of non-GAAP financial information, and financial information and earnings guidance provided to analysts and rating agencies;
- (c) Prior to publicly disclosing, review and discuss with management and the independent auditors:
- i. The Company's annual audited financial statements, and recommend to the Board whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K, with the review to include: (x) the independent auditors' judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements and (y) the disclosure included in "Management's Discussion and Analysis of Financial Condition and Results of Operations";
  - ii. Management's assessment of and report on the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year, and the independent auditor's related report;

to include the disclosures included in "Management's Discussion and Analysis of Financial Condition and Results of Operations"; and

- iv. Any significant deficiencies or material weaknesses identified by management in connection with required quarterly certifications,
  - v. and any significant changes in internal control over financial reporting that are disclosed;
- (d) Obtain and review a report from the independent auditors, prior to publicly disclosing the Annual Report on Form 10-K, related to the Company's critical accounting policies and practices used; all alternative treatments under generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternatives and the independent auditors' preferred treatment; and other material written communication between the independent auditors and management, as appropriate;
- (e) Meet, at least once a year, with the independent auditors and the internal auditors, separately, without any management representative present for the purpose of oversight of accounting and financial practices and procedures; and
- (f) Prepare an Audit Committee report as may be required by the SEC to be included in the Company's annual report.

4. Legal and Regulatory Compliance Matters

- a) Periodically review procedures for the receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters;
- b) Periodically review procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- c) Receive and review periodic reports from the General Counsel and Chief Compliance Officer summarizing potential fraud or financial misstatement activity reported by employees through the Company's "hotline";

and evaluate the results of any allegations of fraud or financial misstatement;

- e) Periodically review the Company's Disclosure and Compliance Committee process to assure that all senior financial executives report any known deficiencies or misstatements in the Company's financial reports prior to publicly disclosing the Company's annual or interim financial reports; and
- f) Periodically review with the General Counsel the status of all pending litigation and open regulatory issues and their potential effect on the financial results of the Company.

5. Committee Self-Assessment

The Audit Committee shall annually conduct a performance evaluation of the Committee.

6. Committee Authority

- (a) The Committee has the authority, at the Company's expense, to engage counsel, accounting or other outside advisors, as it determines necessary to carry out its duties and may request any officer or employee of the Company or the Company's outside counsel or independent auditors to meet with any members of, or advisors to, the Committee.
- (b) The Committee shall review and recommend to the Board the adequacy of its charter and proposed changes annually or as otherwise needed.
- (c) The Committee has the responsibilities and powers set forth in this charter, however, such responsibilities and powers do not include the responsibility to assure compliance with laws and regulations, the Company's Code of Ethics and Business Conduct, nor is it the Committee's responsibility to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with accounting principles generally accepted in the United States.

#### **IV. FUNDING**

The Company shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board of Directors, for payment of (a) 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; (b) compensation to any advisers engaged by the Audit Committee; and (c) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

#### **V. MEETINGS**

The Committee shall meet as provided by any rules it may adopt and as often as it deems is appropriate to carry out its responsibilities under this Charter, but not less than twice during each fiscal year of the Company. The Committee may hold special meetings at any time. Meetings of the Committee shall be called by the chairperson of the Committee or the Chairman of the Board. The chairperson of the Committee will preside at each meeting of the Committee and will set the agenda of items to be addressed at each meeting. If the chairperson of the Committee is not present at a meeting of the Committee, the members of the Committee present at such meeting may, by a majority vote, elect a chairperson for that meeting. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The act of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee.

Committee members may attend meetings in person, by conference call or through other means by which each member may hear and be heard by each other member, and the Committee may also act by unanimous written consent. At the discretion of the Committee, other members of the Board, any officer or employee of the Corporation and any consultant or advisor to the Committee or other third party may be invited to attend and participate in meetings of the Committee.

#### **VI. ACCOUNTABILITY/RECORDING OF MINUTES**

The Committee shall maintain written minutes of each of its meetings. At the Board meeting following any meeting of the Committee, the Chairman of the Committee shall provide a report of the Committee's proceedings.