

## **SMITHFIELD FOODS, INC.**

### Audit Committee Charter

The Audit Committee's primary purposes are to (a) assist Board oversight of (i) the integrity of the Corporation's financial statements, (ii) the Corporation's compliance with legal and regulatory requirements, (iii) the independent auditors' qualifications and independence, and (iv) the performance of the Corporation's internal audit function and independent auditors; and (b) prepare the report that SEC rules require being included in the Corporation's annual proxy statement. The Audit Committee shall report regularly to the full Board of Directors on all matters within the Committee's responsibilities.

The Committee shall be composed of no fewer than three directors, each of whom shall be financially literate (or, if any new member of the Committee at the time of his or her appointment is not then financially literate, such member shall become so within a reasonable period of time thereafter). In addition, the Chairman of the Committee shall have accounting or related financial management expertise, as required from time to time by the audit committee standards of the New York Stock Exchange (the "Exchange"). The Board of Directors shall interpret these requirements and determine such qualifications of Committee members in its business judgment. Furthermore, the composition of the Committee shall satisfy the independence requirements of the Exchange within the time requirements established by the Exchange, all as determined by the Board of Directors. Director's fees are the only compensation that Committee members may receive from the Corporation. Nor shall any member of the Committee own directly or indirectly more than twenty percent of the Corporation's common stock.

The independent auditors shall be ultimately accountable to the Committee on all matters pertaining to their engagement, and the independent auditors shall report to the Committee as the Board of Directors' representative. The Committee shall encourage open communication among the Committee, the independent auditors, the internal auditors and management regarding matters within the Committee's responsibilities. The Committee shall establish a calendar incorporating regular reporting items which it requires from the independent auditors, the internal auditors and management during the fiscal year.

In carrying out its responsibilities:

1. The Committee as the Board of Directors' representative shall have the ultimate authority and responsibility to select, evaluate and where appropriate replace the independent auditors. Each year the Committee shall appoint the independent auditors subject, if applicable, to shareholder ratification at the annual meeting. The Committee shall require the independent auditors to submit at least annually a formal written statement (i) describing the firm's internal quality control procedures, (ii) identifying any material issues raised by the most recent internal quality control review, or peer review, of the firm, (iii) describing any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits by the firm, and any steps taken to deal with any such issues, and (iv) delineating all relationships between the independent auditors and the Corporation, including

audit and non-audit assignments and the fees and any other compensation paid to the independent auditors therefor. Any significant non-audit relationship or undertaking by the independent auditors must have the advance approval of the Committee. The Committee is responsible for actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity or independence of the independent auditors.

2. With respect to each fiscal year, the Committee shall meet with the independent auditors, the internal auditors and the senior management to review the scope and methodology of the proposed audits for such fiscal year. The independent auditors and the internal auditors shall provide regular reports to the Committee during the fiscal year on the underlying process and status of their audits and any findings or preliminary conclusions that have been reached.

3. Management and the independent auditors shall review with the Committee a draft of the Corporation's annual financial statements and drafts of the Corporation's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Such reviews shall include the Corporation's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Quarterly, the independent auditors shall provide to the Committee a review letter as contemplated by Statement on Auditing Standards No. 71. Periodically during the fiscal year, the independent auditors shall review with the Committee their assessment as to the adequacy of the Corporation's structure of internal controls over financial accounting and reporting, and their qualitative judgments as to accounting principles employed and related disclosures by the Corporation and the conclusions expressed in the Corporation's financial reports. The independent auditors shall review with the Committee significant judgments made by management in the preparation of the financial statements.

4. The independent auditors and the Corporation's management, including its legal affairs management, shall identify to the Committee business, financial or legal issues that may significantly impact the Corporation's financial statements and internal control systems. At least annually, management shall report to the Committee as to all significant litigation, threatened litigation or potential litigation in which the Corporation and its subsidiaries are or may be engaged, as well as the anticipated or potential impact of such litigation, threatened litigation or potential litigation on the Corporation.

5. The Committee shall meet separately, at least quarterly, with management, the internal auditors and the independent auditors.

6. The independent auditors shall promptly identify to the Committee any audit problems or difficulties, including any areas of disagreement with management in the preparation of financial statements. The Committee shall also consider any response by management.

7. The Committee shall discuss earnings press releases with management, as well as any financial information and earnings guidelines provided to analysts and rating agencies.

8. The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps that management has taken to monitor and control such exposures.

9. Management shall report as soon as possible to the Chairman of the Committee any material violation of laws or governmental regulations. At least annually, management shall review with the Committee the Corporation's monitoring efforts and procedures to ensure compliance with laws and governmental regulations.

10. Both management and the independent auditors shall report promptly to the Committee any material weaknesses in internal control systems.

11. Management shall report all related party transactions to the Committee, and the Committee shall be responsible for the review and oversight contemplated by the Exchange with respect to any such reported transactions.

12. The Committee shall set clear hiring policies with respect to any current or former employees of the independent auditors.

13. The Committee shall have available to it such support personnel, including management staff, independent auditors, attorneys and consultants, as it deems necessary to discharge its responsibilities.

14. The Chairman of the Committee shall discuss the Committee's performance with each Committee member, following which discussions the Chairman shall lead the Committee in an annual review of its performance. The annual evaluation shall include a review of the Committee's charter.

15. The Committee shall cause to be provided to the Exchange appropriate written confirmation of any of the foregoing matters as the Exchange may from time to time require.