

SMITHFIELD FOODS, INC.

Compensation Committee Charter

The Compensation Committee shall consist of not less than three members of the Board of Directors. On recommendation of the Nominating and Governance Committee, the Board of Directors shall appoint the members of the Compensation Committee and shall designate the Chairman of the Committee. The composition of the Committee shall satisfy the independence requirements of the New York Stock Exchange (the "Exchange") within the time requirements established by the Exchange, all as determined by the Board of Directors. Any member of the Committee may be replaced by the Board of Directors.

The Compensation Committee's primary responsibility is to develop and oversee the implementation of the Corporation's philosophy with respect to the compensation of executive officers and other key employees. The Committee shall have the overall responsibility for designing, approving, and evaluating the executive compensation plans, policies, and programs on behalf of the Board of Directors of the Corporation. The Compensation Committee reports to the full Board of Directors on all matters within the Committee's responsibilities.

The Committee shall meet at such times as it determines to be appropriate or at the call of the Chairman of the Committee.

In carrying out its responsibilities:

1. The Committee shall have responsibility for developing and maintaining a compensation policy that creates a direct relationship between pay levels and corporate performance and returns to shareholders. The Committee shall monitor the results of such policy to assure that the compensation payable to the Corporation's executive officers and other key employees provides overall competitive pay levels, creates proper incentives to enhance shareholder value, rewards superior performance, and is justified by the returns available to shareholders.
2. The Committee shall have responsibility for recommending to the Board of Directors for approval, compensation and benefit plans or amendments to existing plans, cash and equity based incentive compensation plans, and non-qualified deferred compensation and retirement plans, but not including qualified retirement plans under the Internal Revenue Code.
3. The Committee shall review and approve annually corporate and personal goals and objectives to serve as the basis for the chief executive officer's compensation, evaluate the chief executive officer's performance in light of those goals and objectives and recommend to the Board of Directors the chief executive officer's compensation based on that evaluation.

4. The Committee shall review and approve for other executive officers and for such other key employees of the Corporation as it determines is appropriate: (1) the annual base salary level, (2) the annual incentive opportunity level, (3) the long-term incentive opportunity level, (4) employment agreements, severance agreements, and change in control provisions/agreements and any (5) special or supplemental benefits.
5. In establishing the compensation to be paid or provided to executive officers and other key employees, the Committee shall utilize where it deems appropriate comparative data regarding compensation practices. The Committee may utilize flexible compensation structures to attract, retain, and motivate and appropriately reward executive officers and other key employees, consistent with the Corporation's compensation philosophy. The Committee may retain one or more compensation consultants or other advisors to assist the Committee with these duties. The Committee shall have sole authority to approve the fees and other retention terms of any such consultant or advisor.
6. With respect to the Corporation's equity based compensation plans, the Committee shall approve grants of stock options, restricted stock, performance shares, stock appreciation rights, and other equity based incentives to the extent provided under the compensation plans.
7. The Committee shall from time to time review and make recommendations to the Board of Directors regarding the compensation of non-employee Directors.
8. The Committee shall provide, over the names of the Committee members, the required Compensation Committee report for the Corporation's proxy statement for the annual meeting of shareholders.
9. The Committee shall have available to it such support personnel, including management staff, outside auditors, attorneys and consultants as it deems necessary to discharge its responsibilities.
10. Whenever required to comply with any statutory or regulatory requirements or otherwise deemed appropriate by the Committee, the Committee may delegate some or all of its responsibilities to one or more subcommittees consisting of members of the Committee.
11. The Committee shall consider the application of Section 162(m) of the Internal Revenue Code to the Corporation and its compensation practices and develop a policy for the Corporation with respect to Section 162(m).
12. The Committee shall keep minutes of its proceedings. At the next regular Board meeting following any Committee meeting, the Chairman of the Committee shall report to the Board of Directors on behalf of the Committee.

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