

**PREMIUM STANDARD FARMS, INC.**

**CHARTER OF THE NOMINATIONS AND CORPORATE GOVERNANCE  
COMMITTEE  
(as of May 6, 2005)**

**I. Purpose**

The purpose of the Nominations and Corporate Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Premium Standard Farms, Inc. (the “Company”) is to (i) recommend candidates for election to the Board; (ii) oversee the organization and membership of the Board; (iii) structure and oversee the operations of the Company’s various committees; (iv) plan for the succession of key officers and employees of the Company; (v) oversee, review and make periodic recommendations concerning the Company’s corporate governance policies; and (vi) deal with all other matters related to corporate governance and the rights and interests of the Company’s stockholders, as directed by the Board.

**II. Membership and Qualification**

The Committee members will be elected by the Board and will serve at the discretion of the Board. The Audit Committee will consist of not less than three directors, each of whom will be an “independent director” as required by NASD Rule 4200(a)(15). The Committee members will be elected or reconfirmed annually by the Board for the term of one year, or until their successors are duly elected and qualified. The Board also appoints the Committee Chairman.

**III. Procedures**

**A. General**

The Committee will meet at least once per year and at such additional times as necessary to carry out its responsibilities. All meetings and other actions of the Committee will be held and taken pursuant to the Bylaws of the Company (including, without limitation, bylaw provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent) and the General Corporation Law of the State of Delaware.

The Committee will keep a record of all actions taken at meetings. The Committee will select a representative to present the actions of the Committee and answer questions, if any, at the next regularly scheduled meeting of the Board.

**B. Nominations**

All functions regarding nominations of individuals to the Board will be carried out by the Committee. At each required annual meeting of the Board, the Committee will follow the following processes in making nominations to the Board of Directors:

- (1) Evaluate each new director candidate, whether recommended by management, a third party search firm, another director or directors, or a

stockholder or group of stockholders, and each incumbent director pursuant to the objectives and qualifications listed above, or such other objectives and qualifications as the independent directors then determine to be relevant.

- (2) Upon careful consideration and evaluation, recommend whether the Board should nominate or re-nominate each individual nominee.
- (3) Evaluate current committee membership and recommend members for each committee of the Company
- (4) Submit its recommended candidates to the Board of Directors and applicable committees.

#### **IV. Responsibilities**

##### ***A. Nominations***

In carrying out the duty of the Committee to recommend candidates for election to the Board, the Committee shall:

- (1) Develop a Board that provides management with experienced and seasoned advisors and meet the qualification of directors established by the Board from time to time.
- (2) Make recommendations to the Board regarding all nominees for Board membership, whether for the slate of director nominees to be proposed by the Board to the stockholders or any director nominees to be appointed by the Board to fill interim director vacancies.
- (3) Review director candidates submitted by stockholders;
- (4) Conduct the appropriate and necessary inquiries into the backgrounds, qualifications and independence of possible candidates.
- (5) Review periodically the membership of each committee of the Board and recommend committee assignments to the Board, including rotation, reassignment or removal of any committee member.
- (6) Determine, acting through the Chairman and the CEO, the effect of a change in the reputation of character and integrity, interests, or employment status of a director and, if necessary or appropriate, request the Board to consider and accept the resignation of a director.
- (7) Evaluate and select nominees based on their ability to fulfill the duties of care and loyalty to the Company's stockholders. To be considered for nomination to the Board by the Committee, an individual should:

- (a) Be of the highest character and integrity and have an inquiring mind, the willingness to ask hard questions and the ability to work with others;
- (b) Be free of any conflict of interest that would violate applicable laws or regulations or otherwise interfere with the individual's ability to perform properly his or her duties as a director;
- (c) Be willing to devote sufficient time to the Company's affairs and diligently fulfill his responsibilities as a directors;
- (d) Have substantial experience in the one or more areas of business, education or government service that will provide value to the overall Board; and
- (e) Have the capacity and desire to represent the best interests of the stockholders as a whole.

### ***B. Oversight***

In carrying out the duty of the Committee to oversee the organization and membership of the Board and the various committees, the Committee shall:

- (1) Monitor the performance of each director based on the general criteria provided herein and any specific criteria created by the independent directors.
- (2) Identify any problem areas and seek appropriate resolutions, including asking for a director's resignation or removal.
- (3) Develop and periodically evaluate orientation guidelines and continuing education guidelines for directors so that each director is fully aware of his or her duties as well as the general business plan of the Company.

### ***C. Succession Plan***

In carrying out the duty of the Committee to plan for the succession of key officers and employees, the Committee shall:

- (1) Assist the Board in evaluating the performance and other factors related to the retention of the Chief Executive Officer and other key executive officers.
- (2) Develop and periodically review and revise a management succession plan to ensure a smooth transition when the Chief Executive Officer or other key management retires or resigns.

***D. Corporate Governance***

In carrying out the duty of the Committee to oversee, review and make periodic recommendations concerning the Company's corporate governance policies, the Committee shall:

- (1) Regularly review issues and developments related to corporate governance trends and issues and formulate and recommend governance standards to the Board.
- (2) Review and make recommendations to the Board regarding the Company's responses to stockholder proposals.
- (3) Make recommendations to the Board regarding committee structure and delegated responsibilities to be included in the charter of each Board committee.
- (4) Annually review and oversee the Board and the Board committees' evaluation process and evaluate and recommend any revisions to the Board and committee meeting policies and logistics.
- (5) Consider and recommend changes in the size of the Board.
- (6) Oversee and review on a periodic basis the orientation program for new directors and the continuing education program for existing directors.
- (7) Retain and/or terminate outside advisors, including any search firm to be used to assist the Committee in identifying director candidates, and approve the advisors' or search firm's fees and other retention terms.