

## **TYSON FOODS, INC. CORPORATE GOVERNANCE PRINCIPLES**

These Corporate Governance Principles (“Principles”) have been adopted by the Board of Directors (the “Board”) of Tyson Foods, Inc. (the “Company”) to assist the Board in the exercise of its responsibilities to the Company and its shareholders. These Principles should be interpreted in the context of all applicable laws and the Company’s charter, by-laws and other corporate governance documents. These Principles are intended to serve as a flexible framework, not as a set of legally binding obligations, within which the Board may conduct its business, and the Board shall be able, in the exercise of its discretion, to deviate from these Principles from time to time, as the Board may deem appropriate or as required by applicable laws and regulations.

### **1. Director Responsibilities**

The Company is managed under the direction of the Board. The Board is responsible for ensuring the Company is managed in such a way as to maximize long- term shareholder value. To that end, the Board shall regularly monitor the effectiveness of management’s policies and decisions and the execution of its strategies, as well as the performance of the Company in relation to its goals, strategy and competitors.

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. Directors are expected to spend the time and effort necessary to properly discharge this responsibility. In discharging their responsibility, directors are entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors.

The Board and its committees are expected to meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to attend Board meetings, meetings of committees on which they serve, and the Company’s Annual Meeting of Shareholders. Information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The directors are entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's charter, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Company's charter.

### **2. Director Independence and the Role of Non-Management Directors and the Lead Independent Director**

The Board believes that maintaining qualified, non-management directors on the Board is an integral part of effective governance. The Board, taking into consideration the recommendations of the Governance and Nominating Committee (or a successor committee with substantially equivalent duties), will make an affirmative determination annually as to the appropriate number of non-management directors seated on the Board and whether such non-

management directors qualify as “independent” as such term is defined in the New York Stock Exchange (“NYSE”) listing requirements. The non-management directors will meet, without management, in executive session at least annually.

The Board will select annually from among the independent (as such term is defined in the NYSE listing requirements) directors to appoint a Lead Independent Director to preside over executive sessions of the Company’s independent and non- management directors and to perform such other duties and responsibilities specified by the Board and the Chairman of the Board.

### **3. Director Qualifications and Attributes**

The ultimate responsibility for the selection of new directors and director nominees resides with the Board. The Board has delegated to the Governance and Nominating Committee the responsibility for identifying, evaluating and recommending individuals qualified to be directors of the Company to the Board for either appointment to the Board or to stand for election at a meeting of the shareholders. While there are no specific minimum qualifications that a potential nominee must possess, director nominees are selected for, among other things, their integrity, independence, diversity of experience, business or other relevant experience or expertise, proven leadership skills, their ability to exercise sound judgment, understanding of the Company’s business environment, and willingness to devote adequate time and effort to Board responsibilities.

### **4. Other Directorships**

The Board does not have a policy limiting the number of other public company boards of directors upon which a director may sit. However, the Governance and Nominating Committee shall consider the number of other public company boards of directors of which a prospective nominee is a member when evaluating his or her qualification to serve as a director of the Company. Directors should advise the Chairman of the Board in advance of accepting an invitation to serve on another public company board or any assignment to the audit or compensation committee of another public company board on which the director currently serves.

### **5. Retirement Age and Term Limits**

No person shall be nominated to serve as a director after he or she has passed his or her 72<sup>nd</sup> birthday, unless the Board has voted, on an annual basis, to waive, or continue to waive, such age limitation to permit such person to serve as a director. This age limitation for directors shall not apply to any current or former Chairman of the Board.

Directors shall not be subject to term limits. The Governance and Nominating Committee, in conjunction with the Chairman of the Board, will annually review continued appropriateness of each director’s Board membership.

### **6. Changes in Outside Responsibilities**

Any individual director whose professional affiliation, position of principal employment,

or other responsibility held at the time of election changes materially after his or her election is expected to promptly discuss with the Chairman of the Board whether he or she should tender his or her resignation as a director for consideration by the Board. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they joined the Board should leave the Board. The Chairman of the Board will review the continued appropriateness of a director's Board membership under the circumstances.

## **7. Agenda for Board Meetings**

The Chairman of the Board will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Additionally, each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future at least once each year.

## **8. Board Committees**

The Board will have at all times an Audit Committee, a Compensation and Leadership Development Committee, a Governance and Nominating Committee and a Strategy and Acquisition Committee, the functions of which may be combined into some lesser number of, or differently named, committees. All of the members of these committees will be independent directors under the criteria established by the NYSE or other relevant listing standards. Committee members will be appointed and may be removed by the Board. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee will have its own charter. The charters shall set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership. Each committee shall annually review and assess the adequacy of its charter and recommend any proposed changes to the Board for approval. The charters shall also require that each committee annually evaluate its performance.

The chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. The agenda and meeting schedule for each committee will be furnished to all directors of the Board. The Board encourages all independent directors to attend all committee meetings regardless of whether they are members of the committee.

The Board may, from time to time, establish or maintain additional formal or informal committees as necessary or appropriate.

## **9. Director Access to Officers, Employees and Outside Advisors.**

Directors have full and free access to officers and employees of the Company. Any

meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent appropriate, copy the Chief Executive Officer on any material written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board and committee meeting, as necessary, of senior officers or other members of management of the Company who can provide additional insight into the items being discussed because of personal involvement or expertise in these areas. Board and committee meetings may also be attended from time to time by outside advisors, to the extent such advisors' participation is deemed necessary and appropriate by the Chairman of the Board, committee chairpersons or senior officers of the Company, to assist the Board or applicable committee in understanding the material being presented.

The Board, the Audit Committee, the Compensation and Leadership Development Committee, the Governance and Nominating Committee and the Strategy and Acquisition Committee have the power to hire outside legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. The Company shall provide funding for payment of reasonable compensation, as determined by the Board or committee, as applicable, to such advisors. The Governance and Nominating Committee also has the sole authority to retain and terminate search firms and other consultants to assist in the identification and evaluation of director candidates, including the sole authority to approve such search firms' and other consultants' fees and other retention terms.

## **10. Director Compensation and Stock Ownership**

The Compensation and Leadership Development Committee will periodically review the form and amounts of independent director compensation as set forth in the Company's Director Compensation Policy and make recommendations to the Board with respect to any changes. The Board will set the form and amounts of independent director compensation, taking into account the recommendations of the Compensation and Leadership Development Committee. The Board believes that the amount of independent director compensation should fairly reflect the contributions of the independent directors to the performance of the Company. Senior management should report periodically to the Compensation and Leadership Development Committee on the status of director compensation in relation to similar companies. Only directors who are "independent" pursuant to the requirements of the NYSE are eligible to receive compensation for services as a director pursuant to the Company's Director Compensation Policy. The Compensation and Leadership Development Committee and the Board will consider that a director's status as an independent director may be jeopardized if independent director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which an independent director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) an independent director or an organization with which the independent director is affiliated.

The Board believes that it is important for each director to have a meaningful ownership interest in the Company in order to strengthen the alignment between the interests of the

Company's directors and shareholders. Accordingly, all directors are required to maintain a minimum equity stake in the Company in accordance with the terms of the Company's stock ownership and holding requirements adopted by the Board. The Compensation and Leadership Development Committee will periodically review the ownership and holding requirements for directors and make recommendations to the Board with respect to any changes.

#### **11. Director Orientation and Continuing Education**

Senior management is responsible for conducting, with the assistance and input of the Board, an orientation process for new directors. This orientation process may include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its principal officers, and its internal and independent auditors. In addition, the orientation process will include visits to Company headquarters and, to the extent practical, certain of the Company's facilities. All other directors are also invited to attend the orientation program.

Directors are encouraged to obtain continuing education on subjects that will assist them in discharging their duties, and the Company will assist them in obtaining such education. The Chairman of the Board will periodically conduct an evaluation, in consultation with the Board, as to whether recent continuing education was worthwhile and effective, and will determine what, if any, future continuing education programs are necessary and appropriate.

#### **12. Selection of Chairman and CEO**

The Board is responsible for identifying and selecting a Chairman of the Board and a Chief Executive Officer of the Company. The Board shall be free to select a Chairman of the Board and a Chief Executive Officer in any way that it deems best for the Company and its shareholders at a given point in time. The Board does not require the separation of the offices of the Chairman of the Board and Chief Executive Officer, and the Board may appoint the Chief Executive Officer as the Chairman of the Board if it deems such appointment appropriate for the Company.

#### **13. CEO Evaluation and Management Succession**

The Compensation and Leadership Development Committee will conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter, and provide a report of such review to the Board. When it is appropriate or necessary, it is the Board's responsibility to remove the Chief Executive Officer and to select his or her successor.

The Board shall determine that a satisfactory system is in effect for education, development, and orderly succession of the Chief Executive Officer and other senior management positions. Senior management, under the direction of the Chief Executive Officer, shall make an annual report to the Board on management succession planning. The Company's succession planning should include policies and principles for Chief Executive Officer selection, as well as policies regarding succession in the event of an emergency involving or the retirement

of the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors for Chief Executive Officer and other senior management positions, along with a review of any development plans recommended for such individuals.

#### **14. Annual Performance Evaluation**

The Board, under the direction of the Governance and Nominating Committee and the Lead Independent Director, will conduct an annual self-evaluation to determine whether the Board, its committees and the directors are functioning effectively. The Governance and Nominating Committee will receive comments from all directors and report annually to the Board with an assessment of the performance of the Board and each of its committees. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the contribution of the Board and each of its committees to the Company and specifically focus on areas in which the Board or management believes that the Board and its committees could improve.

#### **15. Board Interaction with Investors, the Press, Customers, etc.**

The Board believes that management should speak for the Company in accordance with the Company's public disclosure policy. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members would do this with the knowledge of the senior officers and, absent unusual circumstances or as contemplated by the committee charters, only at the request of a senior officer.

#### **16. Periodic Review of Corporate Governance Principles**

These principles are reviewed by the Board, under the direction of the Governance and Nominating Committee, at least annually.