



Governance Policies

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Adopted as of December 28, 2009

1. INTRODUCTION

The board of directors has adopted these policies as a general framework to assist the board in carrying out its responsibilities. The board, on behalf of the company and its stockholders, oversees and provides general direction to the management of the company.

In addition to other board or committee responsibilities outlined below, the responsibilities of the board include reviewing the overall operating, financial and strategic plans and performance of the company, selecting and evaluating the company's senior executives, overseeing appropriate policies of corporate conduct and compliance with laws, and reviewing the process by which financial and non-financial information about the company is provided to management, the board and the company's stockholders.

The company's senior officers, under the direction of the board, are responsible for the operations of the company, implementation of the strategic, financial, and management policies of the company, preparation of financial statements and other reports that accurately reflect requisite information about the company, and timely reports which inform the board about the foregoing matters.

These policies are not intended as binding legal obligations or inflexible requirements, and are not intended to interpret applicable laws and regulations or modify the company's certificate of incorporation or bylaws.

2. BOARD COMPOSITION

(a) Size of the Board. The size of the board will be as set forth in the company's certificate of incorporation and bylaws. Each member of the board is subject to election annually by the stockholders.

(b) Independent Directors. At least three of the directors serving on the board will meet the standards of director independence set forth in The New York Stock Exchange listing standards as the same may be amended from time to time (the "listing standards"), as well as other factors not inconsistent with the listing standards that the board considers appropriate for effective oversight and decision making by the board. Since the company is a "controlled company" within the meaning of the listing standards, the board is not required to, but may from time to time, have a majority of directors who are "independent" if the board so determines.

(c) Affirmative Determination of Independence. The board will affirmatively determine annually and at other times required by the listing standards that the directors designated as independent by it have no material relationships to the company (either directly or with an organization in which the director is a partner, stockholder or officer or is financially interested) that may interfere with the exercise of their independence from management and the company. The board has established standards to assist in determining whether a director has a material relationship with the company. These standards are set forth on Attachment A hereto. The board will annually review all commercial and charitable relationships with directors.

(d) Management Directors. The board may appoint or nominate to serve on the board members of the company's management whose experience and role at the company are expected to help the board fulfill its responsibilities.

(e) Chairman and Presiding Independent Director. The board will periodically appoint a chairman of the board. Both independent and management directors are eligible for appointment as the chairman. If the chairman of the board is not an independent director, the board will either designate an independent director to preside at the meetings of the non-management and independent directors or a procedure by which a presiding director is selected for these meetings, which, in

the absence of another procedure being adopted by the board, will be the independent director with the longest tenure on the board in attendance at the meeting. The company will appropriately disclose the name of this presiding independent director or method by which interested parties may contact the independent directors.

(f) Selection of Board Nominees. The special nominating committees of the board have overall responsibility for the selection of their respective candidates for nomination or appointment to the board.

(g) Board Membership Criteria. The board's policy is to encourage selection of directors who will contribute to the company's overall corporate goals of responsibility to its stockholders, industry leadership and integrity in financial reporting and business conduct. The board and the special nominating committees of the board will from time to time review the experience and characteristics appropriate for board members and director candidates in light of the board's composition at the time and skills and expertise needed for effective operation of the board and its committees.

(h) Length of Board Service. The board and the applicable special nominating committee of the board will review the length of service of the board's members when a director is eligible to be re-nominated for board membership, including an assessment of individual director performance, number of other public and private company boards on which the individual serves, composition of the board at that time, and other relevant factors. The board does not believe that there should be a fixed term or retirement age for directors or that directors who retire from or change their principal occupation or business should necessarily be required to end their service as directors. Management directors who retire from or change their principal occupation or business will offer to resign their service as directors, which offer may then be evaluated by the board in light of the individual circumstances.

(i) Board Compensation. The board, through the compensation committee, will review or request management or outside consultants to review, appropriate compensation policies or changes in compensation policies for the directors serving on the board and its committees. This review may consider board compensation practices of other comparable public companies, contributions to the board functions, time commitments expected for board and committee service, and other appropriate factors.

3. BOARD MEETINGS

(a) Scheduling of Full Board Meetings. The chairman of the board will schedule in advance regular meetings of the board at the company's principal executive office or other location designated by the meeting notice.

(b) Meetings of Non-Management and Independent Directors. The non-management directors will hold during each fiscal year at least two regular meetings of the non-management members of the board without management present, at such times and for such purposes as the non-management directors consider to be appropriate. In addition, the independent directors will meet without management or other directors present at least once annually for such purposes as the independent directors consider to be appropriate. For the convenience of the directors, these meetings may, but need not, be scheduled to coincide with the dates of regular board meetings. The non-management and independent directors may invite the company's independent auditors, legal counsel, finance staff and other employees to attend portions of these meetings.

(c) Agenda. The chairman of the board will have primary responsibility for establishing the agenda for each meeting and arranging for the agenda to be sent in advance of the meeting to the directors along with appropriate written information and background materials. Each board committee, and each individual director, is encouraged to suggest items for inclusion on the agenda. The chairman and the full board separately have authority to require the board to meet in executive sessions to discuss sensitive matters with or without distribution of written materials.

(d) Access to Information. The company's management will afford each board member access to the company employees and the outside auditors, legal counsel and other professional advisers for any purpose reasonably related to the board's responsibilities. Each director is entitled to inspect the company's books and records and obtain such other data and information as the director may reasonably request; inspect facilities as reasonably appropriate for the performance of director duties; and to receive notice of all meetings in which a director is entitled to participate and copies of all board and committee meeting minutes.

(e) Independent Inquiries and Advisers. The board is authorized to conduct investigations, and to retain, at the expense of the company, independent legal, accounting, investment banking, or other professional advisers selected by the board, for any matters relating to the purpose or responsibilities of the board.

4. BOARD COMMITTEES

(a) Committees. The committees of the board are the audit committee, the compensation committee and the special nominating

committees. The board may from time to time establish additional committees.

(b) Committee Member Selection. Subject to the applicable nominating committee's rights as set forth in the certificate of incorporation, the board will designate the members and the chairman of each committee, endeavoring to match the committee's function and needs for expertise with individual skills and experience of the appointees to the committee. Each member of the audit committee will be independent as defined in the applicable listing standards, laws and regulations.

(c) Committee Functions. Each of the audit committee and the special nominating committees will have a written charter approved by the board in compliance with applicable listing standards, laws and regulations. The number and content of committee meetings and means of carrying out committee responsibilities will be determined by each committee in light of the committee's charter, if applicable, the authority delegated by the board to the committee, and legal, regulatory, accounting or governance principles applicable to that committee's function. The company will afford access to the company's employees, professional advisers, and other resources, if needed, to enable committee members to carry out their responsibilities.

5. BOARD MEMBER RESPONSIBILITIES

(a) Director Responsibilities.

(i) Generally. A director is expected to discharge his or her director duties, including duties as a member of a committee on which the director serves, in good faith and in a manner the director reasonably believes to be in the best interests of the company.

(ii) Disclose Relationships. Each independent director is expected to disclose promptly to the board any existing or proposed relationships with the company (other than service as a board member or on board committees) that could affect the independence of the director under applicable listing standards or any additional standards as may be established by the board of directors from time to time, including direct relationships between the company and the director and his or her family members, and indirect relationships between the company and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant stockholder, or is materially financially interested.

(iii) Reporting and Compliance Systems. Based on information available to the director, each director should be satisfied that company management maintains an effective system for timely reporting to the board or appropriate board committees on the following: (1) the company's financial and business plans, strategies and objectives; (2) the recent financial results and condition of the company and its business segments; (3) significant accounting, regulatory, competitive, litigation and other external issues affecting the company; and (4) systems of control which promote accurate and timely reporting of financial information to stockholders and compliance with laws and corporate policies. Each director is expected to have a basic understanding of the foregoing matters to the extent information is furnished by management or otherwise available to the board.

(iv) Attendance. Board members are expected to devote sufficient time and attention to prepare for, attend and participate in board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting.

(v) Reliance on Information. In discharging responsibilities as a director, a director is entitled to rely in good faith on reports or other information provided by company management, independent auditors, and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the company.

(b) Transactions Affecting Director Independence. Without the prior approval of a majority of disinterested members of the full board, and, if required by the listing standards, the audit committee, the company will not make significant charitable contributions to organizations in which a director or a family member of the director is affiliated, enter into consulting contracts with (or otherwise provide indirect forms of compensation to) a director, or enter into any relationships or transactions (other than service as a director and board committee member) between the company and the director (or any business or nonprofit entity or organization in which the director is a general partner, controlling stockholder, officer, manager, or trustee, or materially financially interested). Notwithstanding the foregoing, to the extent required to comply with SEC rules, no member of the audit committee will be an affiliated person of the company or receive any direct or indirect compensation from the company other than for service as a director and on committees on which the individual serves.

(c) Continuing Education. The board is expected periodically to review appropriate policies and procedures for providing orientation sessions for newly elected or appointed directors, and recommending on an as-needed basis continuing director education programs for board or committee members.

(d) Annual Evaluation. The board is expected to evaluate annually its corporate governance guidelines and whether the board and its committees are functioning effectively.

6. MANAGEMENT RESPONSIBILITY

(a) Management Succession Planning. The chairman will review with the board management succession and development plans for executive officers. The board may from time to time ask the compensation committee to undertake specific reviews concerning management succession planning.

(b) Financial Reporting and Legal Compliance. The board's governance and oversight functions do not relieve the primary responsibilities of the company's management for (1) preparing financial statements that accurately and fairly present the company's financial results and condition, and (2) maintaining systems, procedures and corporate culture which promote compliance with legal and regulatory requirements and the ethical conduct of the company's business.

(c) Corporate Communications. Executive management has the primary responsibility to establish policies concerning the company's communications with investors, the press, customers, suppliers and employees.

(d) Communication of Corporate Governance Guidelines. As required by the listing standards, management will assure that the company's website will include a copy of these guidelines, copies of the charter of the audit committee and, if applicable, other key committees of the board, and a copy of the company's code of business conduct and ethics. Management will also include in the company's annual report to stockholders statements to the effect that this information is available on the company's website and in print to any stockholder who requests it.

Attachment A: Independence Standards

A director shall be independent if the director meets each of the following standards and otherwise has no material relationship with the company, either directly, or as a partner, stockholder, or officer of an organization that has a relationship with the company. For purposes of these standards, "company" means Pilgrim's Corporation and its consolidated subsidiaries, collectively.

1. the director is not, and in the past three years has not been, an employee of the company;
2. an immediate family member of the director is not, and in the past three years has not been, employed as an executive officer of the company;
3. neither the director nor an immediate family member of the director is a current partner of a firm that is the company's internal or external auditor ("affiliated auditing firm");
4. the director is not a current employee of an affiliated auditing firm;
5. the director does not have an immediate family member who is a current employee of an affiliated auditing firm and who personally works on the company's audit;
6. neither the director nor an immediate family member of the director has within the last three years been a partner or employee of an affiliated auditing firm and personally worked on the company's audit within that time;
7. neither the director nor an immediate family member of the director is, or in the past three years has been, part of an interlocking directorate in which a current executive officer of the company served on the compensation committee of another public company where the director or the director's immediate family member served as an executive officer;
8. neither the director nor an immediate family member of the director receives or has in the past three years received any direct compensation payments from the company in excess of \$120,000 per year, other than compensation for board service, compensation received by the director's immediate family member for service as a non executive employee of the company, and pension or other forms of deferred compensation for prior service;
9. the director is not a current employee, and no immediate family member of the director is a current executive officer, of another company that makes payments to or receives payments from the company, or during any of the last three fiscal years has made payments to or received payments from the company, for property or services in an amount that, in any single fiscal year, exceeded the greater of \$1 million or 2% of the other company's consolidated gross revenues;
10. the director is not an executive officer of a tax exempt organization to which the company makes or in the past three years has made, contributions that, in any single fiscal year, exceeded the greater of \$1 million or 2% of the tax exempt organization's consolidated gross revenues; or

11. the director is not, and during the last fiscal year has not been, a partner in, or a controlling shareholder or executive officer of, a business corporation, non profit organization, or other entity to which the company was indebted at the end of the company's last full fiscal year in an aggregate amount in excess of the lesser \$5 million or .5% of the company's total consolidated assets at the end of such fiscal year.

The board may determine that a director or nominee is "independent" even if the director or nominee does not meet each of the standards set forth in paragraphs (7) and (8) above as long as the board determines that such person is independent of management and free from any relationship that in the judgment of the board would interfere with such person's independent judgment as a member of the board and the basis for such determination is disclosed in the company's annual proxy statement.

In addition, a director is not considered independent for purposes of serving on the audit committee, and may not serve on that committee, if the director: (1) receives, either directly or indirectly, any consulting, advisory or other compensatory fee from the company or any of its subsidiaries other than: (a) fees for service as a director, and (b) fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the company; or (2) is "an affiliated person" of the company or any of its subsidiaries; each as determined in accordance with Securities and Exchange Commission regulations.

For purposes of this Attachment A, the following definitions apply:

(a) "immediate family member" means a person's spouse, parents, children, siblings, mother and father in law, sons and daughters in law, brothers and sisters in law, and anyone (other than domestic employees) who shares such person's home.

(b) "executive officer" of a company means the company's chairman, vice chairman, chief executive officer, president, chief operating officer, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the company. Executive officers of the company's parent(s) or subsidiaries will be deemed executive officers of the company if they perform policy-making functions for the company.