



U.S. Department of Justice

Criminal Division

*Fraud Section, Suite 4100, Bond Building
1400 New York Avenue, NW
Washington, D.C. 20530*

February 4, 2011

Laurence Urgenson
Kirkland & Ellis LLP
655 15th Street, N.W.
Washington, DC 20005

Re: Tyson Foods, Inc.

Dear Mr. Urgenson:

This letter sets out the deferred prosecution agreement (the "Agreement") between Tyson Foods, Inc. and its subsidiaries (collectively, "Tyson") and the United States Department of Justice, Criminal Division, Fraud Section (the "Department") relating to certain illegal conduct committed by Tyson.

1. Relevant Parties: Tyson, by Tyson's undersigned attorneys, pursuant to authority granted by Tyson's Board of Directors, and the Department, enter into this Agreement, which shall bind Tyson, including in particular Tyson de Mexico ("TdM"). The terms and conditions of this Agreement are as follows:

2. **Criminal Information and Acceptance of Responsibility:** Tyson accepts and acknowledges that the United States will file a criminal Information in the United States District Court for the District of Columbia charging Tyson Foods, Inc. with conspiracy to commit an offense against the United States, in violation of 18 U.S.C. § 371, that is, to violate the Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, 15 U.S.C. § 78dd-1 (Count One) and violating the FCPA, 15 U.S.C. § 78dd-1 and 18 U.S.C. § 2 (Count Two).

a. In so doing, Tyson knowingly waives its right to indictment on these charges, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code § 3161, and Federal Rule of Criminal Procedure 48(b). In addition, Tyson consents to the filing of the Information and the Agreement in the United States District Court for the District of Columbia.

b. Tyson admits, accepts, and acknowledges that it is responsible for the acts of its officers, employees, agents, and wholly-owned subsidiaries, as set forth in the Statement of Facts attached hereto as Attachment A, and incorporated by reference into this Agreement, and that the allegations described in the Information and the facts described in Attachment A are true and accurate. Should the Department initiate the prosecution that is deferred by this Agreement, Tyson agrees that it will neither contest the admissibility of, nor contradict, in any such proceeding, the Statement of Facts.

3. **Term of the Agreement:** This Agreement is effective for a period beginning on the date this Agreement is accepted by the Court following the filing of the Information and ending two (2) years from that date (the “Term”). However, Tyson agrees that, in the event the Department determines, in its sole discretion, that Tyson has knowingly violated any provision of this Agreement, an extension or extensions of the term of the Agreement may be imposed by Department, in its sole discretion, for up to a total additional time period of one year. Any extension of the Agreement extends all terms of this Agreement for an equivalent period. Conversely, in the event the Department finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for reporting and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early.

4. **Relevant Considerations:** The Department enters into this Agreement based on the following factors:

- a. Tyson voluntarily disclosed the misconduct described in the Information and Statement of Facts;
- b. Tyson conducted a thorough internal investigation of that misconduct;
- c. Tyson reported all of its findings to the Department;
- d. Tyson cooperated in the Department’s investigation of this matter;
- e. Tyson has undertaken remedial measures as described in this Agreement;
- f. Tyson has agreed to continue to cooperate with the Department in any investigation of the conduct of Tyson and its directors, officers, employees, agents, consultants, subsidiaries, contractors, and subcontractors relating to violations of the FCPA;
- g. Tyson has cooperated and agreed to continue to cooperate with the Securities and Exchange Commission (the “SEC”) in its investigation of the conduct of Tyson and its directors, officers, employees, agents, consultants, subsidiaries, contractors, and subcontractors relating to corrupt payments and related false accounting and internal controls issues; and
- h. With respect to the corporate compliance reporting obligations set forth in paragraph 10, the Department based that element of this Agreement on the following additional facts and circumstances:
 - i. Tyson has already engaged in significant remediation related to the misconduct described in the statement of facts and implemented an enhanced compliance program;

- ii. Approximately 85-90% of Tyson's sales are domestic;
- iii. Tyson operates only six wholly-owned production facilities overseas, three in Mexico and three in Brazil, all of which have been subjected to rigorous FCPA reviews;
- iv. Tyson's only direct government customers are domestic; and
- v. The problematic operations in TdM comprised less than one percent of Tyson's global net sales.

5. **Cooperation:** During the Term of this Agreement, Tyson agrees to cooperate fully with the Department, the SEC, and any other authority or agency, domestic or foreign, designated by the Department, in any investigation of Tyson or any subsidiary thereof, or any of its present or former directors, officers, employees, agents, consultants, subsidiaries, contractors, or subcontractors, or any other party, in any and all matters relating to corrupt payments. Tyson agrees that its cooperation shall include, but is not limited to, the following:

a. Tyson shall truthfully disclose all non-privileged information with respect to the activities of Tyson and those of its present and former directors, officers, employees, agents, subsidiaries, consultants, contractors, and subcontractors, concerning all matters relating to corrupt payments, related false books and records, and inadequate internal controls, about which Tyson has any knowledge or about which the Department may inquire. This obligation of truthful disclosure includes the obligation of Tyson to provide to the Department, upon request, any non-privileged document, record, or other tangible evidence relating to such corrupt payments, books and records, and internal controls about which the Department may inquire of Tyson.

b. Upon request of the Department, with respect to any issue relevant to its investigation of corrupt payments in connection with the operations of Tyson, related books and records, and inadequate internal controls, Tyson shall designate knowledgeable employees, agents, or attorneys to provide to the Department the information and materials described in paragraph 5(a) above, on behalf of Tyson. It is further understood that Tyson must at all times provide complete, truthful, and accurate information.

c. With respect to any issue relevant to the Department's investigation of corrupt payments in connection with the operations of Tyson or any of its present or former subsidiaries or affiliates, consistent with applicable law and subject to the attorney-client privilege, Tyson shall use its best efforts to make available for interviews or testimony, as requested by the Department, Tyson's present or former directors, officers, employees, agents, and consultants, as well as the directors, officers, employees, agents, and consultants of contractors and subcontractors. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement

authorities. Cooperation under this paragraph will include identification of witnesses who, to the knowledge of Tyson, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records, or other tangible evidence provided to the Department pursuant to this Agreement, Tyson consents to any and all disclosures to other governmental authorities, whether United States authorities or those of a foreign government, of such materials as the Department, in its sole discretion, shall deem appropriate.

6. **Payment of Monetary Penalty:** The Department and Tyson agree that application of the United States Sentencing Guidelines (“USSG” or “Sentencing Guidelines”) to determine the applicable fine range yields the following analysis:

a. The 2006 USSG are applicable to this matter.

b. Base Offense. Based upon USSG 2C1.1, the total offense level is 28, calculated as follows:

(a)(2) Base Offense Level	12
(b)(1) More than one bribe	+2
(b)(2) Value of benefit received more than \$400,000	+14

TOTAL OFFENSE LEVEL	28
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c. Base Fine. Based upon USSG §8C2.4(a)(1) and (d), the base fine is \$6,300,000 (the fine indicated in the Offense Level Fine Table (\$6,300,000) is used where such number is greater than the pecuniary gain to the organization from the offense (\$880,000).

d. Culpability Score. Based upon USSG §8C2.5, the culpability score is 4, calculated as follows:

(a) Base Culpability Score	5
(b)(1) Organization had 1,000 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was wilfully ignorant of the offense	+4
(g)(1) The organization, prior to an imminent threat of disclosure or government investigation, within a reasonably prompt time after becoming aware of the offense, reported the offense, fully cooperated, and clearly demonstrated recognition and affirmative acceptance of	

responsibility for its criminal conduct;	-5
TOTAL CULPABILITY SCORE	4

e. Calculation of Fine Range.

Base Fine	\$6,300,000
Multipliers	0.8(minimum)/1.6(maximum)
Fine Range	\$5,040,000 to \$10,080,000

Tyson agrees to pay a monetary penalty in the amount of \$4,000,000. Tyson and the Department agree that this fine is appropriate given Tyson's voluntary disclosure of the misconduct at issue, the nature and extent of Tyson's cooperation in this matter, and Tyson's remedial measures. Tyson and the Department agree that Tyson will pay this \$4,000,000 monetary penalty within ten days of the execution of this Agreement. The \$4,000,000 penalty is final and shall not be refunded. Furthermore, nothing in this Agreement shall be deemed an agreement by the Department that the \$4,000,000 amount is the maximum penalty that may be imposed in any future prosecution, and the Department is not precluded from arguing in any such prosecution that the Court should impose a higher fine, although the Department agrees that under those circumstances, it will recommend to the Court that the amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment. Tyson acknowledges that no tax deduction may be sought in connection with the payment of any part of this \$4,000,000 penalty.

7. **Conditional Release from Criminal Liability:** In return for the full and truthful cooperation of Tyson, and its compliance with the terms and conditions of this Agreement, the Department agrees not to use any information related to the conduct described in the attached Statement of Facts against Tyson or any of its wholly-owned or -controlled subsidiaries in any criminal or civil case, except: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. In addition, the Department agrees, except as provided herein, that it will not bring any criminal or civil case against Tyson related to the conduct of present and former directors, officers, employees, agents, consultants, contractors, and subcontractors, as described in the attached Statement of Facts, or relating to any other conduct Tyson disclosed to the Department prior to the date on which this Agreement was signed.

a. This Paragraph does not provide any protection against prosecution for any corrupt payments, false accounting, or internal controls issues, if any, made after the effective date of this Agreement by Tyson or any of its directors, officers, employees, agents, consultants,

contractors, and subcontractors, irrespective of whether disclosed by Tyson, pursuant to the terms of this Agreement.

b. This Paragraph also does not provide any protection against prosecution for any corrupt payments, false accounting, or internal controls issues in the past which are not described in the attached Statement of Facts or which were not disclosed to the Department prior to the date on which this Agreement was signed. In addition, this paragraph does not provide any protection against criminal prosecution of any present or former director, officer, employee, shareholder, agent, or consultant of Tyson for any violations of law committed by them.

8. **Corporate Compliance Program:** Tyson represents that it has implemented and will continue to implement and maintain a compliance program designed to detect and prevent violations of the FCPA and other applicable anticorruption laws throughout its operations, including those of its affiliates, joint ventures, contractors, and subcontractors, with responsibilities that include interactions with foreign officials. Implementation of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not disclosed to the Department as of the date of signing of this Agreement for which Tyson would otherwise be responsible.

9. In order to address deficiencies in its internal controls, policies, and procedures regarding compliance with the FCPA and other applicable anticorruption laws, Tyson represents that it has undertaken, or will undertake in the near future, in a manner consistent with all of its obligations under this Agreement, a review of the existing internal controls, policies, and procedures within Tyson. Where appropriate, Tyson will adopt new or modify existing internal controls, policies, and procedures in order to ensure that Tyson maintains: (a) a system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anticorruption compliance system designed to deter and detect violations of the FCPA and other applicable anticorruption laws. The internal controls and compliance system will include, but not be limited to, the minimum elements set forth in Attachment C, which is incorporated by reference into this Agreement.

10. **Corporate Compliance Reporting:** Tyson agrees that it will self-report to the Department periodically, at no less than six-month intervals, during a two-year term, regarding remediation and implementation of the compliance activities described in paragraphs 8 and 9 above and in Attachment C. Tyson shall designate a senior company officer as the person responsible for overseeing Tyson's corporate compliance reporting obligations under this Agreement. Should Tyson discover credible evidence, not already reported to the Department, that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any Tyson entity or person, or any entity or person working directly for Tyson, or that related false books and records have been maintained, Tyson shall promptly report such conduct to the Department. During this two-year

period, Tyson shall: (1) conduct an initial review and prepare an initial report, and (2) conduct and prepare at least three follow-up reviews and reports, as described below:

a. Tyson shall submit to the Department a written report within 180 calendar days of the signing of this Agreement setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the internal controls, policies, and procedures of Tyson for ensuring compliance with the FCPA and other applicable anticorruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to Deputy Chief - FCPA, Fraud Section, Criminal Division, U.S. Department of Justice, 10th and Constitution Ave., N.W., Bond Building, Fourth Floor, Washington, D.C., 20530. Tyson may extend the time period for issuance of the report with prior written approval of the Department.

b. Tyson shall undertake at least three follow-up reviews, each incorporating the Department's views and comments on Tyson's prior reviews and reports, to further monitor and assess whether the policies and procedures of Tyson are reasonably designed to detect and prevent violations of the FCPA and other applicable anticorruption laws.

c. The first follow-up review and report shall be completed by no later than 180 days after the initial review. Subsequent follow-up reviews and reports shall be completed by no later than 180 days after the completion of the preceding follow-up review.

d. Tyson may extend the time period for submission of any of the follow-up reports with prior written approval of the Department.

11. **Deferred Prosecution:** In consideration of: (a) the factors set forth in paragraph 4 above; (b) the past and future cooperation of Tyson described in paragraphs 4 and 5 above; (c) Tyson's payment of a monetary penalty of \$4,000,000; and (d) Tyson's adoption and maintenance of remedial measures, and review and audit of such measures, including the compliance undertakings described in paragraphs 8 through 10 above, the Department agrees that any prosecution of Tyson for the conduct set forth in the attached Statement of Facts, and for the conduct relating to information that Tyson disclosed to the Department prior to the signing of this Agreement, be and hereby is deferred for the Term of this Agreement. The Department further agrees that if Tyson fully complies with all of its obligations under this Agreement, the Department will not continue the criminal prosecution against Tyson described in paragraph 2 and, after the Term, this Agreement shall expire and the Department will move to dismiss the criminal information pending against Tyson.

12. **Breach of the Agreement:** If, during the Term of this Agreement, the Department determines, in its sole discretion, that Tyson (including TdM or any of Tyson's wholly-owned subsidiaries) has committed any felony under federal law subsequent to the signing of this Agreement; has, at any time, provided deliberately false, incomplete or misleading information; or has otherwise breached the Agreement, Tyson shall thereafter be subject to prosecution for any federal criminal violation of which the Department has knowledge. Any such

prosecution may be premised on information provided by Tyson. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against Tyson notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, Tyson agrees that the statute of limitations with respect to any prosecution that is not time-barred on the date of this Agreement shall be tolled for the Term plus one year. In the event that the Department determines that Tyson has breached this Agreement:

a. All statements made by or on behalf of Tyson to the Department or to the Court, including the attached Statement of Facts, and any testimony given by Tyson before a grand jury or any tribunal, at any legislative hearings whether prior or subsequent to this Agreement, or any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Department against Tyson (including Tyson de Mexico or any of Tyson's wholly-owned subsidiaries); and

b. Tyson shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by or on behalf of Tyson prior or subsequent to this Agreement, and any leads derived therefrom, should be suppressed. The decision whether conduct or statements of any individual will be imputed to Tyson for the purpose of determining whether Tyson has violated any provision of this Agreement shall be in the sole discretion of the Department.

14. Tyson acknowledges that the Department has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if Tyson breaches this Agreement and this matter proceeds to judgment. Tyson further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

13. **Sale or Merger of Tyson:** Tyson agrees that in the event it sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a stock or asset sale, merger, or transfer, it shall include in any contract for sale, merger, or transfer a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement.

14. **Public Statements by Tyson:** Tyson expressly agrees that it shall not, through present or future attorneys, directors, officers, employees, agents, or any other person authorized to speak for Tyson make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by Tyson set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights of Tyson described below, constitute a breach of this Agreement and Tyson thereafter shall be subject to prosecution as set forth in paragraphs 11 and 12 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will

be imputed to Tyson for the purpose of determining whether they have breached this Agreement shall be at the sole discretion of the Department. If the Department determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Department shall so notify Tyson, and Tyson may avoid a breach of this Agreement by publicly repudiating such statement(s) within five business days after notification. Consistent with the obligations of Tyson as set forth above, Tyson shall be permitted to raise defenses and to assert affirmative claims in civil and regulatory proceedings relating to the matters set forth in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former employee of Tyson in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is then specifically authorized to speak on behalf of Tyson. Tyson shall not issue a press release in connection with this Agreement unless it first determines that the text of the release is acceptable to the Department.

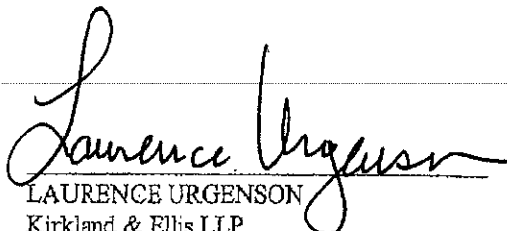
15. **Limitations on Binding Effect of Agreement:** This Agreement is binding on Tyson and the Department but specifically does not bind any other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, although the Department will bring the cooperation of Tyson and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by Tyson.

16. **Complete Agreement:** This Agreement sets forth all the terms of the deferred prosecution agreement between Tyson and the Department. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the Department and a duly authorized representative of Tyson.

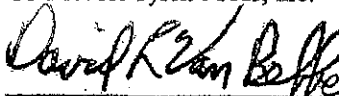
17. **Notice:** Any notice to the Department under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, in each case, for the Department, addressed to the Deputy Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, N.W., Washington, D.C. 20005 and, for Tyson, addressed to David L. Van Bebber, Executive Vice President and General Counsel, Tyson Foods, Inc., 2200 Don Tyson Parkway, Springdale, AR 72762. Notice shall be effective upon actual receipt by the Department or Tyson.

AGREED:

FOR TYSON FOODS, INC.:



LAURENCE URGENSON
Kirkland & Ellis LLP
Counsel for Tyson Foods, Inc.

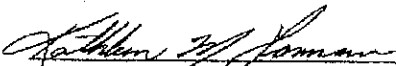


DAVID L. VAN BEBBER
Executive Vice President and General Counsel
Tyson Foods, Inc.

FOR THE DEPARTMENT OF JUSTICE:

DENIS J. MCINERNEY
Chief, Fraud Section

By:



KATHLEEN M. HAMANN
Trial Attorney, Fraud Section
Criminal Division
United States Department of Justice
1400 New York Avenue, NW
Washington, D.C. 20530
(202) 305-7413

Filed at Washington, D.C., on this 10th day of January, 2011.

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for Tyson Foods, Inc. and its subsidiaries (collectively, "Tyson"). I understand the terms of this Agreement and voluntarily agree, on behalf of Tyson, to each of its terms. Before signing this Agreement, I consulted with the attorney for Tyson. The attorney fully advised me of the rights of Tyson, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed this Agreement with the Board of Directors of Tyson Foods, Inc. I have advised, and caused outside counsel for Tyson to advise, that Board fully of the rights of Tyson, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of Tyson, in any way to enter into this Agreement. I am also satisfied with the attorney's representation in this matter. I certify that I am an officer of Tyson Foods, Inc. and that I have been duly authorized by Tyson to execute this Agreement on behalf of Tyson.

Date: February 9, 2011

Tyson Foods, Inc.

By:

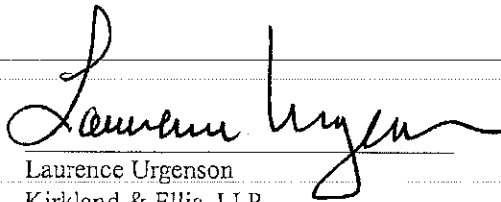


David L. Van Bebber
Executive Vice President and General Counsel

CERTIFICATE OF COUNSEL

I am counsel for Tyson Foods, Inc. and its subsidiaries (collectively, "Tyson") in the matter covered by this Agreement. In connection with such representation, I have examined relevant Tyson documents and have discussed this Agreement with the Tyson Foods, Inc. Board of Directors. Based on my review of the foregoing materials and discussions, I am of the opinion that the representative of Tyson Foods, Inc. has been duly authorized to enter into this Agreement on behalf of Tyson and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of Tyson and is a valid and binding obligation of Tyson. Further, I have carefully reviewed this Agreement with the Board of Directors and General Counsel of Tyson Foods, Inc. I have fully advised them of the rights of Tyson, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. To my knowledge, the decision of Tyson to enter into this Agreement is an informed and voluntary one.

Date: 2/9, 2011



Laurence Urgenson
Kirkland & Ellis, LLP
Counsel for Tyson Foods, Inc.

ATTACHMENT A

STATEMENT OF FACTS

The following Statement of Facts is incorporated by this reference as part of the deferred prosecution agreement (the “Agreement”) between the United States Department of Justice, Criminal Division, Fraud Section (the “Department”) and Tyson Foods, Inc. and its subsidiaries (collectively, “Tyson”) and the parties hereby agree and stipulate that the following information is true and accurate. As set forth in paragraph 2 of the Agreement, Tyson accepts and acknowledges that it is responsible for the acts of its officers, employees, and agents as set forth below.

Should the Department initiate the prosecution that is deferred by this Agreement, Tyson agrees that it will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding.

BACKGROUND

The Foreign Corrupt Practices Act

1. The Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, Title 15, United States Code, Sections 78dd-1, *et seq.*, was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of securing any improper advantage, or of obtaining or retaining business for, or directing business to, any person. The FCPA also requires that any issuer of securities shall make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

Mexican Government Inspection Veterinarians

2. The Government of Mexico administers an inspection program, called *Tipo Inspección Federal* (“TIF”), for meat-processing facilities. Any company that exports meat products from Mexico must participate in the inspection program, which is supervised by an office in the Mexican Department of Agriculture (“SAGARPA”). If a facility participates in the TIF program, an on-site government veterinarian (a “TIF veterinarian”) supervises the inspection program at the facility and ensures that all meat-product exports are in conformity with Mexican health and safety laws. Therefore, TIF veterinarians are foreign officials as defined by the FCPA, 15 U.S.C. § 78dd-1(f).

3. There are two categories of TIF veterinarians: “approved” and “official.” Although all TIF veterinarians are foreign officials under the FCPA, Mexican law permits approved veterinarians to charge the facility in which they work a fee for their services in

addition to their official salary. Official veterinarians receive all of their salary from the Mexican government and may not be paid by the facility they supervise.

4. In or around 1994, Tyson acquired a controlling stake in Tyson de Mexico (“TdM”). At the time of acquisition, one TdM facility participated in the TIF program and had an approved TIF veterinarian located on-site. Subsequently, another TdM facility participated in the program and also had a TIF veterinarian on site. These two TIF veterinarians each supervised a number of inspectors, who were employees of TdM.

Relevant Entities and Individuals

5. Tyson Foods, Inc. was incorporated in Delaware and had its principal place of business in Springdale, Arkansas. It issued and maintained a class of publicly-traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78l), which traded on the New York Stock Exchange. As such, it was required to file periodic reports with the United States Securities and Exchange Commission under Section 13 of the Securities Exchange Act (15 U.S.C. § 78m). Accordingly, Tyson Foods, Inc. was an “issuer” within the meaning of the FCPA, 15 U.S.C. § 78dd-1(a). By virtue of its status as an issuer, Tyson Foods, Inc. was required to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the transactions and disposition of assets of Tyson Foods, Inc. and its subsidiaries, including the subsidiary described below, which were incorporated into the books of Tyson Foods, Inc.

6. TdM, a wholly-owned subsidiary of Tyson Foods, Inc., produced protein-based and prepared food products for sale in Mexico and foreign countries other than the United States. TdM was headquartered in Gomez Palacio, Mexico, and maintained three meat-processing factories there.

7. “Executive,” a U.S. citizen, was an officer and senior executive at Tyson Foods, Inc., was General Manager of TdM, and later was President of Tyson International, a subdivision of Tyson.

8. “VP International,” a U.S. citizen, was a plant manager for TdM and subsequently Vice President of Tyson International for Operations.

9. “VP Audit,” a U.S. citizen, was Vice President of Tyson for Internal Audit.

10. “Accountant,” a U.S. citizen, was an accountant for Tyson with responsibility for TdM and later was General Manager for TdM.

11. “GM TdM,” a Mexican citizen, was General Manager of TdM.

Improper Payments to TIF Veterinarians

12. At the time Tyson Foods, Inc. acquired TdM in or around 1994, TdM listed the wives of the two TIF veterinarians on its payroll and paid them a regular salary, although the wives did not perform any services for TdM.

13. In or around 1994, Tyson, VP International, and others attempted to halt the payments directly to the TIF veterinarians, but resumed when one of the TIF veterinarians threatened to interfere with the shipment of products from a TdM facility. VP International then requested that the veterinarians submit “invoices” for their payments.

14. On or around June 23, 2003, the status of one of the TIF veterinarians (“TIF A”) changed from “approved” veterinarian to “official,” and he was no longer permitted to receive payments from TdM.

15. On or around May 20, 2004, the status of the one of the TIF veterinarians (“TIF B”) changed from “approved” veterinarian to “official,” and he was no longer permitted to receive payments from TdM.

16. On or around June 30, 2004, a TdM plant manager sent a memorandum to an accountant at Tyson in Springdale, Arkansas regarding the payroll payments to the wives of the TIF veterinarians, stating he had been told that the wives “most definitely [] do not work for Tyson Foods in Mexico,” and that he had also been told “we are paying an invoice that [TIF B] turns in on a monthly basis...”.

17. On or around July 2, 2004, Executive, VP Audit, and others met in Springdale, Arkansas to discuss problems with an audit of TdM. At that meeting, Accountant informed the attendees of the improper payments to the TIF veterinarians.

18. On or around July 6, 2004, Executive, VP International, VP Audit, and others met in Springdale, Arkansas. An attorney with Tyson’s Legal Department stated he was seeking advice on “possible exposure relative to the TIF payments.”

19. On or around July 7, 2004, Executive, VP International, VP Audit, and others met in Springdale, Arkansas to discuss “TIF payment issues,” among other topics. At the meeting, one attendee noted that the purpose of the payments was to keep the TIF veterinarians from making problems at the plants; participants agreed that the payments to the wives of the TIF veterinarians had to be terminated, and Executive, VP International, and GM TdM were tasked with investigating how to shift the payroll payments to the TIF veterinarians’ wives directly to the veterinarians.

20. On or around July 14, 2004, Executive emailed the Tyson Chief Administrative Officer regarding the resolution of the improper payments to the TIF veterinarians, noting that he had met with VP International regarding the issue.

21. On or around July 29, 2004, Executive, VP International, GM TdM, and others met in Mexico to discuss the payments to the TIF veterinarians. In the meeting, the participants discussed replacing the payroll payments with invoice payments, which Executive approved.

22. On or around August 26, 2004, an auditor at Tyson responsible for the audit of TdM sent an email to VP Audit, stating that they had gotten another set of incomplete payroll accounting records from TdM regarding the payroll accounts and noting, "I am beginning to think they are being intentionally evasive;" VP Audit responded by email, "Let's drop the payroll stuff for now."

23. On or around August 26, 2004, Tyson Internal Audit created a draft document entitled "Tyson de Mexico - Payroll Memo." The memo contained the statement, "Our audit procedures identified transactions that would not be considered allowable under the [sic] Mexican Law...." and listed the wives of the TIF veterinarians by name as individuals who were on the payroll but "did not provide any labor or service to the company." The memo also contained the statement, "The TIF doctors will submit one invoice which will include the special payments formally being made to their spouses along with there [sic] normal consulting services fee."

24. On or around August 27, 2004, a TdM employee sent an email to GM TdM and others, including an attachment stating, "2.-TIF.-BOTH PERSONS WILL BE PULLED OUT OF THE PAYROLL ON AUGUST 31. EQUIVALENT PAYMENT WILL BE ADDED TO THE INVOICE [OF] ONE OF THEM ISSUE [sic] EVERY MONTH[.] THE NEW PAYMENT WITH INVOICE WILL BE THE ONLY ONE AND WILL BE \$30,700 PS/MTH."

25. In or around August 2004, Tyson increased the amount it paid to TIF B based on invoices for "professional honoraria" by approximately the same amount that it had previously paid to the wives of the TIF veterinarians.

26. In or around October 2004, Tyson ceased making the payments to the wives of the TIF veterinarians.

27. In or around October 19, 2004, the final version of the Tyson audit report on TdM was circulated to executives in Springdale, Arkansas. The audit report stated, "Detail of payroll checks issued that agreed to the balances recorded in the general ledger could not be provided. As a result we were unable to perform procedures to identify any 'ghost employees.'"

28. In or around early September 2005, a plant manager in TdM told a Tyson accountant in Springdale, Arkansas that he had been asked to authorize the payments to the TIF veterinarians and that he was uncomfortable doing so.

29. On or around September 10, 2005, Accountant (then General Manager of TdM) emailed the plant manager at TdM, stating, "I talked to [Executive] this week about the invoice from [TIF B] that we pay. He agreed that we are OK to continue to make these payments against invoices (not through payroll) until we are able to get TIF/SAGARPA to change."

30. In or around November 2006, Tyson discovered the improper payments to the TIF veterinarians in the course of conducting an internal investigation. In April 2007, Tyson voluntarily disclosed the misconduct to the Department of Justice and the Securities and Exchange Commission.

Total Improper Payments

31. From the time Tyson Foods, Inc. acquired TdM in or around 1994 through in or around 2006, Tyson made occasional additional improper payments to the TIF veterinarians on an ad-hoc basis.

32. In total, from in or around July 2004 to in or around November 2006, Tyson, its executives, and its subsidiaries authorized the payment, directly or indirectly, of approximately \$90,000 to Mexican government-employed veterinarians, in order to obtain or retain business for TdM by influencing the decisions of veterinarians responsible for certifying TdM products for export under the TIF Program. From the time of Tyson's acquisition of TdM in 1994 until May 2004, an additional \$260,000 in improper payments were made to the TIF veterinarians, both directly and indirectly, including through payments to wives of the TIF veterinarians.

Books and Records

33. At the end of each of Tyson's fiscal years from in or around 2004 to in or around 2006, the books and records of TdM, including those containing false characterizations of the payments to the TIF veterinarians as "professional fees" based on invoices for "professional honoraria," were incorporated into the books and records of Tyson for purposes of preparing Tyson's year-end financial statements, which were filed with the Securities and Exchange Commission in Washington, D.C.

ATTACHMENT B

CERTIFICATE OF CORPORATE RESOLUTION

I, R. Read Hudson, do hereby certify that I am Vice President, Associate General Counsel and Secretary of Tyson Foods, Inc. ("Tyson" or the "Company"), a Delaware corporation, and that the following is a true, correct, and accurate copy of resolutions adopted by the Board of Directors of Tyson by unanimous written consent on February 3, 2011:

WHEREAS, Tyson has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section ("the Department") in connection with issues arising in relation to certain corrupt payments to foreign officials to assist in obtaining and retaining business for the Company; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Department; and

WHEREAS the Company's General Counsel, together with outside counsel for the Company, have advised the Board of Directors of the Company's rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Department;

Therefore, this Board hereby RESOLVES that:

1. The Company, on its own behalf and on behalf of its subsidiaries, including Tyson de Mexico, (a) consents to the filing in the United States District Court for the District of Columbia of a criminal Information charging Tyson Foods, Inc. with conspiracy to commit an offense against the United States in violation of 18 U.S.C. § 371, namely, to violate the Foreign Corrupt Practices Act ("FCPA") (15 U.S.C. § 78dd-1) (Count One); and violation of the FCPA, 15 U.S.C. § 78dd-1 and 18 U.S.C. § 2 (Count Two); (b) waives indictment on such charges and enters into a deferred prosecution agreement with the Department; and (c) agrees to pay a monetary penalty of \$4,000,000 to the United States Treasury with respect to the conduct described in the Information and the Statement of Facts.

2. The General Counsel, or his delegate, is hereby authorized, empowered, and directed, on behalf of the Company, to execute the deferred prosecution agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as the General Counsel, or his delegate, may approve;

3. The General Counsel, or his delegate, is hereby authorized, empowered, and directed to take any and all actions as may be necessary or appropriate, and to approve the forms, terms, or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and

4. All of the actions of the General Counsel, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption

of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

Date: February 9, 2011



R. Read Hudson
Vice President, Associate General Counsel
and Secretary
Tyson Foods, Inc

ATTACHMENT C

CORPORATE COMPLIANCE PROGRAM

In order to address deficiencies in its internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, Tyson Foods, Inc. and its subsidiaries (collectively, “Tyson”) agree to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, Tyson agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that Tyson makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements:

1. Tyson will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA, including its anti-bribery, books and records, and internal controls provisions, and other applicable counterparts (collectively, the “anti-corruption laws”), including strong, explicit, and visible support and commitment from senior management to the program.

2. Tyson will develop and promulgate compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and Tyson’s compliance code and will take appropriate measures to encourage and support the observance of ethics and compliance standards and procedures against foreign bribery at all levels of the company. These standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of Tyson in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, “agents and business partners”), and shall notify all employees that compliance with the standards and procedures is the duty of individuals at all levels of the company. Such standards and procedures shall include policies governing:

- a. Gifts;
- b. Hospitality, entertainment, and expenses;
- c. Customer travel;
- d. Political contributions;

- e. Charitable donations and sponsorships;
- f. Facilitation payments; and
- g. Solicitation and extortion.

3. Tyson will develop these compliance standards and procedures, including internal controls, ethics, and compliance programs on the basis of a risk assessment addressing the individual circumstances of the company, in particular the foreign bribery risks facing the company, including, but not limited to, its geographical organization, interaction with governments, and industrial sector of operation.

4. Tyson shall review its compliance standards and procedures, including internal controls, ethics, and compliance programs, no less than annually, and updated as appropriate, taking into account relevant developments in the field and evolving international and industry standards, and update and adapt as necessary to ensure the continued effectiveness of the company's internal controls, ethics, and compliance programs.

5. Tyson will assign responsibility to one or more senior corporate executives of Tyson for the implementation and oversight of compliance with policies, standards, and procedures regarding the anti-corruption laws. Such corporate official(s) shall have direct reporting obligations to independent monitoring bodies, including internal audit, Tyson's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

6. Tyson will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts to ensure that they cannot be used for the purpose of foreign bribery or concealing such bribery.

7. Tyson will implement mechanisms designed to ensure that the policies, standards, and procedures of Tyson regarding the anti-corruption laws are effectively communicated to all directors, officers, employees, and, where appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors, officers, and employees, and, where necessary and appropriate, agents and business partners; and (b) annual certifications by all such directors, officers, and employees, and, where necessary and appropriate, agents, and business partners, certifying compliance with the training requirements.

8. Tyson will establish an effective system for:
- a. Providing guidance and advice to directors, officers, employees, and, where appropriate, agents and business partners, on complying with

Tyson's compliance policies, standards, and procedures, including when they need advice on an urgent basis on difficult situations in foreign jurisdictions;

- b. Internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners, not willing to violate professional standards or ethics under instructions or pressure from hierarchical superiors, as well as for directors, officers, employees, and, where appropriate, agents and business partners, willing to report breaches of the law or professional standards or ethics concerning anti-corruption occurring within the company, suspected criminal conduct, and/or violations of the compliance policies, standards, and procedures regarding the anti-corruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners; and
- c. Responding to such requests and undertaking appropriate action in response to such reports.

9. Tyson will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and Tyson's compliance and ethics program by Tyson's directors, officers, and employees. Tyson shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, ethics, and compliance program and making modifications necessary to ensure the program is effective.

10. Tyson will institute appropriate due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

- a. Properly documented risk-based due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;
- b. Informing agents and business partners of Tyson's commitment to abiding by laws on the prohibitions against foreign bribery, and of Tyson's ethics and compliance standards and procedures or other measures for preventing and detecting such bribery; and
- c. Seeking a reciprocal commitment from agents and business partners.

11. Where appropriate, Tyson will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the

circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of anti-corruption laws, and regulations or representations and undertakings related to such matters.

12. Tyson will conduct periodic review and testing of the compliance code, standards, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and Tyson's compliance and ethics programs, taking into account relevant developments in the field and evolving international and industry standards.