

(g) Contracts with vendors ~~who have entered into a contract with one or more~~ of using the Debtors' contract forms entitled "Master Vendor Agreement," and/or "Supplemental Vendor Terms and Conditions";

(h) Contracts with vendors for transportation services using the Debtors' contract forms entitled "Transportation Agreement," "Feed Haul Agreement," "Trailer Interchange Agreement" and "Transportation Broker Agreement";

(i) Contracts with vendors using the Debtors' contract form entitled "Broker Sales Agreements";

(j) Collective bargaining agreements where modifications to those agreements have been approved by the Bankruptcy Court, including agreements with the Settling Unions; and

(k) Confidentiality agreements.

8.10. *Retiree Benefits.*

On and after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue to pay all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code) of the Debtors, except with respect to any retiree benefits of the Debtors (i) that were terminated or rejected prior to the Confirmation Date (to the extent such termination or rejection did not violate section 1114 of the Bankruptcy Code) or (ii) are subject to a motion to reject as of the Confirmation Date or have been specifically waived by the beneficiaries of such retiree benefits, for the duration of the period for which the Debtors had obligated themselves to provide such benefits and subject to the right of the Reorganized Debtors to modify or terminate such retiree benefits in accordance with the terms thereof.

ARTICLE IX

CORPORATE GOVERNANCE AND MANAGEMENT OF THE REORGANIZED DEBTORS

9.1. *General.*

On the Effective Date, the management, control, and operation of the Reorganized Debtors shall become the general responsibility of the Board of Directors of the respective Reorganized Debtor.

9.2. *Initial Board of Directors.*

(a) The identity of the initial board of directors for each Debtor is attached as Exhibit E, to be included with the Plan Supplement; provided; however, that the identity of the independent director of the Reorganized PPC to be designated by the Plan Sponsor shall be disclosed no later than 3 calendar days before the Confirmation Hearing.

(b) Pursuant to the Stockholders Agreement and the Restated Certificate of Incorporation, on the Effective Date, the board of directors of Reorganized PPC shall consist of 9 members comprised as follows:

(i) 6 members, including the Chairman of the Board, shall be designated by the Plan Sponsor (the "Plan Sponsor Designees"). The Chief Executive Officer of Reorganized PPC

shall be appointed to the initial board of directors of the Reorganized PPC and shall be included in the Plan Sponsor Designees.

(ii) 2 members (the “Equity Directors”) shall be designated by the Equity Committee. The Equity Directors shall qualify as “independent directors” pursuant to the definition set forth in Section 303A.02 of the New York Stock Exchange Listed Company Manual.

(iii) 1 member shall be Lonnie “Bo” Pilgrim.

(c) From and after the Effective Date, the members of the board of directors of Reorganized PPC and its Affiliates shall be selected and determined in accordance with the provisions of the respective Reorganized Debtor Constituent Documents, the Stockholders Agreement, and applicable law.

9.3. *Officers.*

As of the Effective Date, the officers of the Debtors shall be the officers of the Reorganized Debtors.

9.4. *New Employee Incentive Plans.*

On the Effective Date, Reorganized PPC shall adopt the New Employee Incentive Plans, substantially in the forms attached hereto as Exhibit D-1 and Exhibit D-2. Reorganized PPC shall, on the Effective Date, implement these programs for certain of its employees and board members, pursuant to which such employees and board members may receive New PPC Common Stock and annual cash bonuses. The material terms of the New Employee Incentive Plans are attached as Exhibit D. Holders of Equity Interests in PPC shall vote separately on the New Employee Incentive Plans in conjunction with the solicitation of votes on the Plan, which shall constitute approval of the New Employee Incentive Plans for purposes of all shareholder approval requirements under the Internal Revenue Code, as well as section 16 of the Securities Exchange Act of 1934 and any applicable stock exchange listing requirements.

9.5. *Issuance of Non-Voting Securities.*

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors, as applicable, shall file amended certificates of incorporation (or similar organization documents), which shall, among other things, prohibit the issuance of non-voting equity securities to the extent prohibited by section 1123(a)(6) of the Bankruptcy Code, subject to further amendment as permitted by applicable law.

ARTICLE X

EFFECT OF CONFIRMATION

10.1. *Vesting of Assets.*

Upon the Effective Date, pursuant to section 1141(b) and (c) of the Bankruptcy Code, all property of the Debtors shall vest in each of the Reorganized Debtors free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as provided in the Plan. From and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code.

10.2. *Discharge of Claims and Termination of Equity Interests.*

Except as provided in the Plan, the rights afforded in and the payments and distributions to be made under the Plan shall be in exchange for and in complete satisfaction, discharge, release, termination, and cancellation of all existing debts, Claims and Equity Interests of any kind, nature, or description whatsoever, including any interest accrued on any Claims from and after the Commencement Date, against the Debtors or any of their assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as provided in the Plan, upon the Effective Date, all existing Claims against and Equity Interests in the Debtors shall be, and shall be deemed to be, discharged, terminated, and cancelled, as applicable, and all holders of Claims and Equity Interests shall be precluded and enjoined from asserting against the Reorganized Debtors, their successors or assignees, or any of their assets or properties, any other or further Claim based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of Claim, and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

10.3. *Discharge of Debtors.*

Upon the Effective Date and in consideration of the distributions to be made under the Plan, except as otherwise expressly provided in the Plan, each holder (as well as any trustee or agent on behalf of any holder) of a Claim and any affiliate of such holder shall be deemed to have forever waived, released and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, rights, and liabilities that arose prior to the Effective Date. As provided in section 524 of the Bankruptcy Code, such discharge shall void any judgment against the Debtors, their estates, or any successor thereto at any time obtained to the extent it relates to a Claim discharged. Upon the Effective Date, all persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any discharged Claim against the Debtors, the estates, or any successor thereto.

10.4. *Injunction or Stay.*

Except as otherwise expressly provided in the Plan, all persons or entities who have held, hold or may hold Claims against or Equity Interests in the Debtors and all other parties in interest, along with their respective present and former employees, agents, officers, directors, principals and affiliates, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against the Debtors, the Reorganized Debtors, their respective estates, any debtor who is indemnifiable by the Debtors or Reorganized Debtors, and their respective property, (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (ii) enforcing, attaching, collecting or recovering by any manner or means, whether directly or indirectly, of any judgment, award, decree or order, (iii) creating, perfecting, or enforcing, in any manner, directly or indirectly, any encumbrance of any kind, (iv) asserting any right of setoff, subrogation or recoupment of any kind with respect to any such Claim or Equity Interest, or (v) pursuing any Claim released pursuant to Article XII of the Plan. Such injunction shall extend to any successors of the Debtors and the Reorganized Debtors and their respective properties and interests in properties.

10.5. *Term of Injunctions or Stays.*

Unless otherwise provided, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

10.6. *Injunction Against Interference With Plan.*

Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests, and other parties in interest, along with their respective present and former employees, agents, officers, directors, principals and affiliates shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

10.7. *Exculpation.*

Notwithstanding anything herein to the contrary, as of the Effective Date, none of the Debtors, the Reorganized Debtors, the Committees, the Chief Restructuring Officer, the agents and lenders under the Prepetition BMO Credit Agreement and the Prepetition CoBank Credit Agreement ~~Agreement~~, the agents and lenders party to the DIP Credit Agreement, the Settling Unions, the Plan Sponsor, and their respective directors, officers, employees, partners, members, agents, representatives, accountants, financial advisors, investment bankers, or attorneys (but solely in their capacities as such) shall have or incur any liability for any claim, cause of action or other assertion of liability for any act taken or omitted to be taken since the Commencement Date in connection with, or arising out of, the Chapter 11 Cases, the formulation, dissemination, confirmation, consummation, or administration of the Plan, property to be distributed under the Plan, or any other act or omission in connection with the Chapter 11 Cases, the Plan, the Disclosure Statement or any contract, instrument, document or other agreement related thereto; provided, however, that the foregoing shall not affect the liability of any person that would otherwise result from any such act or omission to the extent such act or omission is determined by a Final Order to have constituted willful misconduct, gross negligence, fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* act.

10.8. *Releases by Holders of Claims and Equity Interests.*

~~Effective as of the Confirmation Date but subject to the occurrence of~~ Except as otherwise expressly provided in the Plan, on the Effective Date, and in consideration for the obligations ~~of the services provided to the Debtors by (a) the present and former directors, officers, employees, affiliates, agents, financial advisors, investment bankers, attorneys, and representatives of the Debtors, the Chief Restructuring Officer, (b) the Committees, (c) the agents and lenders under the Prepetition BMO Credit Agreement, (d) the agents and lenders under to the Prepetition CoBank Credit Agreement, (e) the agents and lenders under the DIP Credit Agreement, (f) Pilgrim Interests, Ltd. (solely in its capacity as guarantor under the Guarantee Agreements), and (g) the Debtors and the Reorganized Debtors~~ under the Plan, each holder of a Claim or an Equity Interest that votes to accept the Plan (or is deemed to accept the Plan), and to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each holder of a Claim or Equity Interest that does not vote to accept the Plan, shall release and discharge unconditionally and forever each of (a) the Debtors and the Reorganized Debtors, (b) the Chief Restructuring Officer, (c) the Committees, (d) the agents and lenders under the Prepetition BMO Credit Agreement, (e) the agents and lenders under to the Prepetition CoBank Credit Agreement, and (f) the agents and lenders under the DIP Credit Agreement, (g) Pilgrim Interests, Ltd. (solely in its capacity as guarantor under the Guarantee Agreements), (h) the Plan Sponsor, and (i) the present and former directors, officers, employees, affiliates, agents, financial advisors, investment bankers, attorneys, and representatives of ~~the Debtors, the Chief Restructuring Officer, (b) the Committees, (c) the agents and lenders under the Prepetition BMO Credit Agreement, (d) the agents and lenders under to the Prepetition CoBank Credit Agreement, and (e) the agents and lenders under the DIP Credit Agreement, (f) Pilgrim Interests, Ltd. (solely in its capacity as guarantor under the Guarantee Agreements), and (f) the Debtors and the Reorganized Debtors~~ each of the foregoing, as applicable, from any and all claims or causes of action that exist as of the

Effective Date and arise from or relate to, in any manner, in whole or in part, the operation of the business of the Debtors, the subject matter of, or the transaction or event giving rise to, the Claim or Equity Interest of such holder, the business or contractual arrangements between any Debtor and such holder, any restructuring of such Claim or Equity Interest prior to the Chapter 11 Cases, or any act, omission, occurrence, or event in any manner related to such subject matter, transaction or obligation, or arising out of the Chapter 11 Cases, including, but not limited to, the pursuit of confirmation of the Plan, the consummation thereof, the administration thereof, or the property to be distributed thereunder; *provided*, that the foregoing shall not operate as a waiver of or release from any causes of action arising out of the willful misconduct, gross negligence, fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* acts of any such person or entity; provided further that the foregoing shall not operate as a waiver of or a release of any causes of action held by a Governmental Unit against any non-Debtor existing as of the Effective Date based on any securities laws of the United States or any domestic state.

10.9. *Releases by Debtors and Reorganized Debtors.*

~~Effective as of the Confirmation Date but subject to the occurrence of~~ Upon the Effective Date, and in consideration of the services provided to the Debtors by such persons, each Debtor and Reorganized Debtor shall release and discharge unconditionally and forever each of (a) the present and former directors, officers, employees, affiliates, agents, financial advisors, investment bankers, attorneys, and representatives of the Debtors (including the Chief Restructuring Officer), (b) the Committees, (c) the agents and lenders under the Prepetition BMO Credit Agreement, (d) the agents and lenders under to the Prepetition CoBank Credit Agreement, (e) the agents and lenders under the DIP Credit Agreement, ~~and~~ (f) Pilgrim Interests, Ltd. (solely in its capacity as guarantor under the Guarantee Agreements), ~~each Debtor and Reorganized Debtor shall release unconditionally and forever each of~~ (a) the Plan Sponsor (except with respect to the Plan Sponsor's obligations under the Stock Purchase Agreement), and (h) the present and former directors, officers, employees, affiliates, agents, financial advisors, investment bankers, attorneys, and representatives of ~~the Debtors (including the Chief Restructuring Officer), (b) the Committees, (c) the agents and lenders under the Prepetition BMO Credit Agreement, (d) the agents and lenders under to the Prepetition CoBank Credit Agreement, (e) the agents and lenders under the DIP Credit Agreement, and (f) Pilgrim Interests, Ltd. (solely in its capacity as guarantor under the Guarantee Agreements)~~ each of the foregoing in clauses (b) through (g) of this Section 10.9, as applicable, from any and all claims or causes of action that exist as of the Effective Date and arise from or relate to, in any manner, in whole or in part, the operation of the business of the Debtors, the business or contractual arrangements between any Debtor and any such person or entity, or any act, omission, occurrence, or event in any manner related to such subject matter, transaction or obligation, or arising out of the Chapter 11 Cases, including, but not limited to, the pursuit of confirmation of the Plan, the consummation thereof, the administration thereof, or the property to be distributed thereunder; *provided*, that the foregoing shall not operate as a waiver of or release from any causes of action arising out of the willful misconduct, gross negligence, fraud, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* acts of any such person or entity.

10.10. Retention of Avoidance Actions.

From and after the ~~Effective~~ Confirmation Date, the ~~Reorganized~~ Debtors shall ~~have~~ retain the ~~sole~~ exclusive right to pursue, prosecute and enforce any and all Avoidance Actions, equitable subordination actions or recovery actions under sections 105, 502(d), 510, 542 through 551, and 553 of the Bankruptcy Code that ~~belong~~ belonged to the Debtors or Debtors in Possession prior to the Confirmation Date, other than with respect to any cause of action or Avoidance Action released herein, in

the Confirmation Order, or in any other Final Order of the Bankruptcy Court. On the Effective Date, the Debtors' right to pursue, prosecute and enforce the actions listed in the immediately preceding sentence shall transfer to the Reorganized Debtors, which on and after the Effective Date shall have the exclusive right to pursue, prosecute and enforce such actions.

10.11. *Retention of Causes of Action/Reservation of Rights.*

(a) Except as provided in sections 10.7 and 10.9 hereof, ~~nothing contained in the Plan or from and after the Confirmation Order shall be deemed to be a waiver or relinquishment of~~ Date, the Debtors shall retain the right to pursue, prosecute and enforce any rights or ~~cause~~ causes of action that the Debtors ~~or the Reorganized Debtors may have or which the Reorganized Debtors may choose to assert on behalf of their respective estates~~ have under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, (i) any and all Claims against any Entity, to the extent such Entity asserts a crossclaim, a counterclaim, and/or a Claim for setoff that seeks affirmative relief against the Debtors, the Reorganized Debtors, their officers, directors, or representatives ~~and,~~ (ii) the any and all Claims and causes of action for turnover of any property of the Debtors' estates, ~~(iii) any and all Claims and causes of actions that are listed on the Debtors' Schedules, and (iv) any and all Claims and causes of action that are subject to pending litigation in either the Bankruptcy Court or a non-bankruptcy forum. On the Effective Date, the Debtors' right to pursue, prosecute and enforce the actions listed in the immediately preceding sentence shall transfer to the Reorganized Debtors, which on and after the Effective Date shall have the exclusive right to pursue, prosecute and enforce such actions. Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or causes of action that the Debtors or the Reorganized Debtors may have.~~

(b) Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any claim, cause of action, right of setoff, or other legal or equitable defense that the Debtors had immediately prior to the Commencement Date, against or with respect to any Claim. ~~The~~ After the Confirmation Date, the Debtors and the Reorganized Debtors, as applicable, shall have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, and other legal or equitable defenses that the Debtors had immediately prior to the Commencement Date as fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' and the Reorganized Debtors' legal and equitable rights respecting any Claim may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

10.12. *Limitations on Exculpation and Releases of Representatives.*

Nothing in Sections 10.7, 10.8 or 10.9 of the Plan shall (i) be construed to release or exculpate any entity from fraud, malpractice, criminal conduct, intentional unauthorized misuse of confidential information that causes damages, or *ultra vires* acts, or (ii) limit the liability of the professionals of the Debtors, the Reorganized Debtors, and the Committees to their respective clients pursuant to the relevant provisions of the Code of Professional Responsibility.

ARTICLE XI

CONDITIONS PRECEDENT TO EFFECTIVE DATE

11.1. *Conditions Precedent to Effectiveness.*

The Effective Date shall not occur and the Plan shall not become effective unless and until the following conditions are satisfied in full or waived in accordance with Section 11.2 of the Plan:

(a) The Confirmation Order, in form and substance reasonably satisfactory to the Debtors, and, in so far as the Confirmation Order relates to the SPA or any matter set forth therein, reasonably satisfactory to the Plan Sponsor, shall have been entered and shall not be subject to any stay or injunction;

(b) All actions, documents, and agreements necessary to implement the Plan shall have been effected or executed; ~~and~~

(c) Other than those conditions that by their nature can only be satisfied at the closing of the transactions contemplated by the SPA, the conditions precedent to the SPA shall have been satisfied or waived by the parties thereto and the Reorganized Debtors shall have access to the Cash contributed by the Plan Sponsor; ~~and~~

(d) The Allowed BMO Secured Claims, the Allowed CoBank Secured Claims, and the DIP Claims shall have been paid in full pursuant to Sections 4.2, 4.3 and 2.4 hereof, respectively; provided, however, that payment in full of such Claims and effectiveness of the Plan may occur simultaneously.

11.2. *Waiver of Conditions.*

Each of the conditions precedent in Section 11.1 hereof (other than entry of the Confirmation Order) may be waived in whole or in part, as applicable, by the Debtors or the Plan Sponsor; provided, however, that the condition precedent in Section 11.1(d) of the Plan may only be waived by the Debtors with the consent of, as applicable, BMO or CoBank, as agents for the lenders from time to time party to the Prepetition BMO Credit Agreement, the DIP Credit Agreement, and the Prepetition CoBank Credit Agreement, respectively. Any such waiver may be effected at any time, without notice or leave or order of the Bankruptcy Court and without any formal action.

11.3. *Effect of Failure of Conditions to Effective Date.*

In the event the conditions precedent specified in Section 11.1 hereof have not been satisfied or waived pursuant to Section 11.2 hereof on or prior to the date to be specified in the Confirmation Order, then (i) the Confirmation Order shall be vacated, (ii) no distributions under the Plan shall be made, (iii) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, (iv) all of the Debtors' obligations with respect to the Claims and Equity Interests shall remain unchanged and nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtors or any other Entity or to prejudice in any manner the rights of the Debtors or any other Entity in any further proceedings involving the Debtors, and (v) nothing contained herein shall prejudice in any manner the rights of the Debtors, including, without limitation, the right to seek a further extension of the exclusive periods under section 1121(d) of the Bankruptcy Code.

ARTICLE XII

RETENTION OF JURISDICTION

On and after the Effective Date, the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of, arising under, and related to the Chapter 11 Cases and the Plan pursuant to, and for the purpose of, sections 105(a) and 1142 of the Bankruptcy Code, including, without limitation:

(a) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, the allowance of Claims resulting therefrom and any disputes

with respect to executory contracts or unexpired leases relating to the facts and circumstances arising out of or relating to the Chapter 11 Cases;

(b) To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date;

(c) To ensure that distributions to holders of Allowed Claims and Allowed Equity Interests are accomplished as provided herein;

(d) To consider Claims and Equity Interests or the allowance, classification, priority, compromise, estimation, or payment of any Claim or Equity Interest;

(e) To enforce the terms of the ADR Procedures Order and hear any matter arising from the alternative dispute resolution procedures established therein;

(f) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is stayed, reversed, revoked, modified, or vacated for any reason;

(g) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to prevent interference by any person with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(h) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(i) To hear and determine all applications under sections 330, 331, and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Confirmation Date;

(j) To consider any amendments to or modifications of the Plan or to cure any defect or omission, or reconcile any inconsistency, in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(k) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan and the Confirmation Order; provided, however, that notwithstanding anything to the contrary in this Article XII, disputes arising in connection with the interpretation, implementation or enforcement of the SPA or the Exit Financing or any other transactions or payments contemplated thereby shall be heard and determined as set forth therein.

(l) Subject to paragraph (k) of this Article XII, to take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following the Effective Date;

(m) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order;

(n) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(o) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited determination of tax under section 505(b) of the Bankruptcy Code);

(p) To determine the scope of any discharge of any Debtor under the Plan or the Bankruptcy Code;

(q) To recover all assets of the Debtors and all property of the Debtors' estates, wherever located;

(r) Subject to paragraph (k) of this Article XII, to hear and determine any matters arising out of or related to confidentiality agreements entered into by the Debtors during the Chapter 11 Cases;

(s) ~~(s)~~ To hear and determine any rights, claims or causes of action held by or accruing to the Debtors pursuant to the Bankruptcy Code, any other federal or state statute, or any legal theory;

(t) ~~(t)~~ To enter a final decree closing the Chapter 11 Cases;

(u) ~~(u)~~ Subject to paragraph (k) of this Article XII, to determine any other matters that may arise in connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order any of the Plan Documents, or any other contract, instrument, release or other agreement or document related to the Plan, the Disclosure Statement or the Plan Supplement; and

(v) ~~(v)~~ To hear and determine any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1. *Effectuating Documents and Further Transactions.*

The Reorganized Debtors are authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents (including, without limitation, the Restated Certificate of Incorporation, the Restated Bylaws and any other Reorganized Debtor Constituent Documents) and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan.

13.2. ~~*Withholding and Reporting Requirements.*~~ *[Intentionally Omitted.]*

~~In connection with the Plan and all instruments issued in connection therewith and distributed thereunder, any party issuing any instrument or making any distribution under the Plan, shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such~~

~~holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligation.~~

13.3. *Corporate Action.*

Upon the Effective Date, the following transactions shall be deemed to occur:

(a) General. All actions contemplated by the Plan shall be deemed authorized and approved in all respects, including, without limitation, (i) the execution and entry into the Exit Facility, (ii) adoption and approval of those terms of the SPA that have not already been approved pursuant to a Final Order of the Bankruptcy Court, (iii) the distribution of the New PPC Common Stock, (iv) adoption of the New Employee Incentive Plans, (v) selection of the board and the officers of the Reorganized Debtors, and (vi) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors or any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect without any requirement of further action by the security holders, directors, or officers of the Debtors or the Reorganized Debtors. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and directed to issue, execute and deliver the agreements, documents, securities and instruments contemplated by the Plan, necessary for or desirable to effect the transactions contemplated by the Plan, in the name of and on behalf of the Reorganized Debtors, including, without limitation, (x) the Exit Facility Documents, (y) the SPA, and (z) any and all other agreements, documents, securities and instruments relating to the foregoing.

(b) Restated Certificate of Incorporation and Restated Bylaws. On the Effective Date or as soon as practicable thereafter, each of the applicable Reorganized Debtors shall adopt amended certificates of incorporation and, as deemed necessary, amended bylaws (or similar organization documents) and shall file the amended certificates of incorporation with the Secretary of State of the State of Delaware or, if such Debtor is organized under the laws of another jurisdiction, file similar organization documents with the appropriate authority in the applicable jurisdiction. In addition, on or before the Effective Date, pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, the amended certificates of incorporation shall satisfy the provisions of the Bankruptcy Code and shall include, among other things, pursuant to section 1123(a)(6) of the Bankruptcy Code, (i) a provision prohibiting the issuance of non-voting equity securities and (ii) a provision setting forth an appropriate distribution of voting power among classes of equity securities possessing voting power. On the Effective Date, the boards of directors of each of the Reorganized Debtors shall be deemed to have adopted amended bylaws for each Reorganized Debtor.

13.4. *Exemption from Transfer Taxes.*

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of equity securities under the Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, the New PPC Common Stock, the Exit Facility, the SPA, any merger agreements or agreements of consolidation, deeds, bills of sale, or assignments executed in connection with any of the transactions contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax. All sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Commencement Date through and including the Effective Date, including, without limitation, the transfers effectuated under the Plan, the sale by the Debtors of owned property pursuant to section 363(b) of the Bankruptcy Code, and the assumption, assignment, and sale by the Debtors of unexpired leases of non-residential real property pursuant to section 365(a) of the

Bankruptcy Code, shall be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

13.5. Expedited Tax Determination.

The Debtors and the Reorganized Debtors are authorized to request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for any and all returns filed for, or on behalf of, the Debtors for any and all taxable periods (or portions thereof) through the Effective Date.

13.6. Payment of Statutory Fees.

On the Effective Date, and thereafter as may be required, the Debtors shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

13.7. Post-Confirmation Date Professional Fees and Expenses.

From and after the Confirmation Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter incurred by Reorganized Debtors.

13.8. Dissolution of Committees.

On the Effective Date, the Committees shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities and obligations relating to and arising from and in connection with the Chapter 11 Cases; provided, however, that in the event the Confirmation Order is appealed, any Committee may elect to delay its dissolution until the conclusion of the appeal so as to participate in such appeal. On the Effective Date, the retention or employment of all attorneys, financial advisors, accountants and other agents of the Creditors' Committee and Equity Committee shall terminate other than for purposes of (i) filing and prosecuting and objecting to applications for final allowances of compensation for professional services rendered and reimbursement of expenses incurred in connection therewith, and (ii) participating in any appeal of the Confirmation Order. To the extent not discharged and released on or prior to the Confirmation Date, on the eleventh (11th) day following the entry of an order in respect of the last of any outstanding fee applications, the Fee Review Committee shall be released and discharged from its obligations pursuant to the Order Granting Motion for (I) Appointment of a Fee Review Committee and (II) Amendment of the Interim Compensation Order [Docket No. 1624 ~~in the Chapter 11 Cases~~].

13.9. Indenture Trustees as Claim Holders.

Consistent with Bankruptcy Rule 3003(c), the Reorganized Debtors shall recognize proofs of claim timely filed by any Indenture Trustee in respect of any Claims under the Indentures. Accordingly, any Claim, proof of which is filed by the registered or beneficial holder of a Claim, may be disallowed as duplicative of the Claim of the applicable Indenture Trustees, without any further action of the Bankruptcy Court.

13.10. Plan Supplement.

A draft form of the following documents and any other appropriate documents, to the extent not already attached to the Plan, shall be contained in the Plan Supplement and filed with the Clerk of the Bankruptcy Court no later than ten (10) days prior to the last date by which holders of impaired Equity Interests may vote to accept or reject the Plan: (i) Summary of Terms of Exit Facility, (ii) Restated

Certificate of Incorporation, (iii) Restated Bylaws, (iv) Summary of New Employee Incentive Plans, (v) list of certain assumed executory contracts and unexpired leases, (vi) list of certain rejected executory contracts and unexpired leases, (vii) list of initial directors for the Reorganized Debtors, ~~and~~ (viii) list of initial officers of Reorganized PPC, and (vix) the Plan Sponsor's more recent financial statements. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Documents to be included in the Plan Supplement will be posted at a website identified in the Disclosure Statement as they become available, but no later than five (5) days prior to the last date by which votes to accept or reject the Plan must be received. Notwithstanding the foregoing, the Debtors may amend Schedule 8.1, 8.7 and 8.9 prior to the Confirmation Date and each of the other documents contained in the Plan Supplement (in a manner consistent with the Plan and Disclosure Statement) through and including the Effective Date.

13.11. *Substantial Consummation.*

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

13.12. *Amendments or Modifications of the Plan.*

Alterations, amendments, or modifications of or to the Plan may be proposed in writing by the Debtors at any time prior to the Confirmation Date, provided that the Plan, as altered, amended, or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code; provided further that without the prior written consent of the Plan Sponsor, the Debtors may not propose amendments or modifications to any provision in the Plan that would reasonably be expected to have a material adverse effect on the Plan Sponsor or on the ability of the Company and the Plan Sponsor to consummate the transactions contemplated by the SPA except that no consent shall be required for any amendments or modifications to the Plan proposed by the Debtors that are consistent with the rights of PPC under the SPA. After the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Claims or Equity Interests under the Plan, the Debtors or the Reorganized Debtors may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan. A holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

13.13. *Revocation or Withdrawal of the Plan.*

The Debtors reserve the right to revoke or withdraw the Plan prior to the Effective Date. If the Debtors take such action, the Plan shall be deemed null and void. In such event, nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims against the Debtors, any claims or rights of the Debtors against any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

13.14. *Severability.*

If, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision as altered or interpreted shall then be

applicable. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

13.15. ***Governing Law.***

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit hereto or a schedule or document in the Plan Supplement provides otherwise, the rights, duties, and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas, without giving effect to the principles of conflict of laws thereof; provided, however, that the SPA shall be governed by the laws as set forth therein.

13.16. ***Binding Effect.***

The Plan shall be binding upon the Debtors, the holders of Claims and Equity Interests and other parties in interest, and their respective successors and assigns, including, without limitation, the Reorganized Debtors.

13.17. ***Exhibits/Schedules.***

All exhibits and schedules to the Plan, including the Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein.

13.18. ***Notices.***

In order to be effective, all notices, requests, and demands to or upon the Debtors must be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

Pilgrim's Pride Corporation
4585 US Highway 271 North
Pittsburg, TX 75868-0093
Attn: Richard A. Cogdill
Title: Chief Financial Officer
Telephone: (903) 434-1000
Facsimile: (972) 290-8950

With a copy to:

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Attn: Stephen A. Youngman
Telephone: (214) 746-7700

Facsimile: (214) 746-7777

- and -

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Victoria Vron
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

13.19. ***Time.***

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

13.20. ***Section Headings.***

The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

13.21. *No Admissions.*

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER CAUSES OF ACTION OR THREATENED CAUSES OF ACTIONS, THE PLAN SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THE PLAN SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, AND OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, AND EQUITY INTERESTS IN, PPC OR ANY OF ITS SUBSIDIARIES AND AFFILIATES, AS DEBTORS AND DEBTORS IN POSSESSION IN THE CHAPTER 11 CASES.

Dated: ~~September 17,~~October 19, 2009
Fort Worth, Texas

Respectfully submitted,

PILGRIM'S PRIDE CORPORATION

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

PFS DISTRIBUTION COMPANY

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

PPC TRANSPORTATION COMPANY

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

TO-RICOS, LTD.

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

TO-RICOS DISTRIBUTION, LTD.

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

PILGRIM'S PRIDE CORPORATION OF WEST VIRGINIA,
INC.

By: /s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

PPC MARKETING, LTD.

By: Pilgrim's Pride Corporation
Its General Partner

/s/ Richard A. Cogdill
Name: Richard A. Cogdill
Title: Chief Financial Officer

EXHIBIT A

Summary of Terms of Exit Facility

[To be filed with Plan Supplement]

EXHIBIT B

Stock Purchase Agreement

EXHIBIT C

Restated Certificate of Incorporation

and

Restated Bylaws

EXHIBIT D

Summary of New Employee Incentive Plans

The following is a summary of the material terms of the Short Term Management Incentive Plan and the Long Term Incentive Plan.

1. Short Term Management Incentive Plan

The Debtors have incorporated the Short Term Management Incentive Plan (the “STIP”) into the Plan, and seek to have such program approved in the Confirmation Order and to be implemented by the Reorganized PPC as of the Effective Date. Regular, full-time salaried, exempt employees of the Reorganized PPC and its affiliates who are selected by the administering committee are eligible to participate in the STIP.

The principal features of the STIP are summarized below, but the summary is qualified in its entirety by reference to the STIP itself, which is in substantially the form attached to the Plan as Exhibit D-1.

The STIP is being included in the Plan in order to preserve the Reorganized PPC’s federal income tax deduction for incentive compensation paid to certain executive officers based on the attainment of established performance goals. Accordingly, the STIP has been structured in a manner such that payments under the plan to individuals covered by Section 162(m) of the Internal Revenue Code of 1986 (as amended, the “IRC”), can satisfy the requirements for “performance-based” compensation, within the meaning of Section 162(m) of the IRC.

Administration

A committee of the Reorganized PPC’s Board of Directors (the “STIP Committee”), consisting solely of members who are “outside directors,” within the meaning of Section 162(m) of the IRC, will administer the STIP with respect to bonus awards granted under the STIP that are intended to qualify as performance-based compensation for purposes of Section 162(m) of the IRC. The STIP Committee will have the authority to interpret all provisions of the STIP, to adopt, amend, and rescind rules pertaining to the administration, interpretation and application of the STIP, and to make all other determinations necessary or advisable for the administration of the STIP, and to reduce, in its discretion, the amount of any bonus awards otherwise payable under the STIP. While it is anticipated that the Reorganized PPC’s Board of Directors will delegate all aspects of administration of the STIP to the STIP Committee, the STIP provides that the Reorganized PPC’s Board of Directors may exercise the rights and duties of the STIP Committee under the STIP except with respect to matters which under Section 162(m) of the IRC are required to be determined in the sole and absolute discretion of the STIP Committee.

Eligibility

Regular, full-time salaried exempt employees of the Reorganized PPC and any of its affiliates who, in the opinion of the STIP Committee, are employees whose performance can contribute to the successful management and financial success of the Reorganized PPC or an affiliate are eligible to be selected by the STIP Committee to participate in the STIP. The Reorganized PPC estimates that approximately 3,000 employees are eligible to participate in the STIP. The STIP Committee will determine which employees will be participants in the STIP.

STIP Operation

Under the STIP, the STIP Committee may grant bonus awards that are intended to qualify as performance-based compensation within the meaning of Section 162(m) of the IRC and awards that are not intended to so qualify. Awards granted under the STIP are payable upon achievement of performance goals established by the STIP Committee.

For awards to covered employees that are intended to qualify as performance-based compensation under Section 162(m) of the IRC, within the earlier of 90 days after commencement of a performance period or the expiration of 25% of the performance period, the STIP Committee will designate or approve the following in writing in connection with the grant of an award:

- the performance period, which may consist of one or more periods of times, and which may be of varying and overlapping durations (for instance, the STIP Committee may determine that the bonus award may have a performance period that coincides with the fiscal year);
- objectively determined performance goals applicable to the performance periods;
- the maximum amount that may be paid upon achievement of the performance goals.

Performance Goals

The performance goals, which, for purposes of awards to covered employees that are intended to qualify as performance-based compensation under Section 162(m) of the IRC, must be objectively determinable and substantially uncertain at the time they are established, will be set by the STIP Committee. Depending on the performance criteria used to establish the performance goals, the performance goals may be expressed in terms of overall Reorganized PPC's performance or the performance of an affiliate of the Reorganized PPC, or division or business unit of the Reorganized PPC or an affiliate. The performance goals may be measured in absolute terms or as compared to any incremental increase or as compared to the results of a peer group. The following performance criteria may be considered for purposes of awards that are intended to qualify as "performance-based" compensation under 162(m) of the IRC: interest, taxes, depreciation, amortization, restructuring costs or rental expenses; sales; economic value-added; cash flow (including, but not limited to, operating cash flow and free cash flow); cash flow return on capital; earnings per share of common stock (including earnings before any one or more of the following: interest, taxes, depreciation, or amortization); return on equity; return on capital; total stockholder return; return on invested capital; return on assets or net assets; return on sales; income or net income (either before or after taxes); operating earnings; operating income reductions or savings or expense management; funds from operations; appreciation in the fair market value of shares of common stock; working capital; market share; productivity; expense; operating efficiency; customer satisfaction; and safety record.

Adjustments

At the time of grant, the STIP Committee may specify one or more objectively determinable adjustments that may be made to one or more of the performance goals.

Annual Award Limit

The maximum aggregate amount that may be paid under all awards granted under the STIP that are intended to constitute performance-based compensation under Section 162(m) of the IRC to a covered employee during any fiscal year may not exceed \$10,000,000. The Reorganized PPC does not currently

intend to grant individual awards that approach the maximum allowable amount, but is asking for approval of this maximum amount to preserve necessary flexibility over the next five years.

Payment of Awards; Form of Payment

Following completion of each performance period and prior to the distribution of any payment for an award granted under the STIP, the STIP Committee will determine whether the performance goals for the performance period were satisfied. Awards that are intended to qualify as performance-based compensation under Section 162(m) of the Code will be paid as soon as practicable after the STIP Committee has certified in writing that the participant has met the applicable performance goals unless the participant is eligible and authorized to defer receipt of the payment. In the case of awards to covered employees that are intended to qualify as performance-based compensation under Section 162(m) of the IRC, the STIP Committee retains the discretion to reduce (but not increase) the amount otherwise payable under an award granted pursuant to the STIP (including a reduction to zero).

Awards may be paid, at the option of the STIP Committee, in cash, or common stock of the Reorganized PPC, or in any combination of the foregoing.

Termination of Employment

If a participant's employment with the Reorganized PPC or any of its affiliates is terminated for any reason other than death or disability prior to the end of a performance period, the participant will not have a right to payment with respect to the award, unless expressly authorized by the STIP Committee and doing so will not have the effect of preventing the award from qualifying as performance-based compensation under Section 162(m) of the IRC.

Amendment and Termination

The STIP Committee or the Reorganized PPC's Board of Directors may amend, suspend or terminate the STIP at any time and from time to time. An amendment will be subject to stockholder approval only if such approval is necessary to maintain the STIP in compliance with Section 162(m) of the IRC. The STIP Committee or the Reorganized PPC's Board of Directors may not modify performance goals or adjustments applicable to any outstanding awards to the extent such modification would cause the award to fail to constitute qualified performance-based compensation.

Effective Date

The STIP is effective with respect to the Reorganized PPC's fiscal year beginning September 27, 2009. The STIP will remain in effect subject to termination by the Reorganized PPC's Board of Directors or the STIP Committee at any time. Awards may be granted once the STIP becomes effective, but any awards that are intended to constitute performance-based compensation under Section 162(m) of the IRC that are granted before the STIP is approved by Debtors' stockholders will not be paid unless and until the STIP is approved.

2. *Long Term Incentive Plan*

The Debtors have incorporated the Long Term Incentive Plan (the "LTIP") into this Plan, and seek to have such program approved in the Confirmation Order and to be implemented by the Reorganized PPC as of the Effective Date. The LTIP will be applicable to certain of the Reorganized

PPC's employees and board members, and may entitle such employees and board members to New Debtors Common Stock and annual cash bonuses.

The principal features of the LTIP are summarized below, but the summary is qualified in its entirety by reference to the LTIP itself, which is in substantially the form attached to the Plan as Exhibit D-2.

The LTIP is intended to assist the Reorganized PPC in recruiting and retaining the best available personnel and to link the personal interests of the Reorganized PPC's key employees, consultants and directors to those of the Reorganized PPC's stockholders by providing such individuals with an incentive to generate superior returns to such stockholders.

Shares Subject to the LTIP

The Plan provides for issuance of an aggregate number of shares of common stock in the Reorganized PPC equal to the lesser of (i) a number of shares equal to the quotient arrived at by dividing \$50,000,000 by the average of the per share closing prices on the Pink OTC Markets, or if the shares are not then traded on the Pink OTC Markets, on the principal exchange, market or quotation system on which the shares are then traded or listed, of the shares during the 10 consecutive trading days ending on (and including) the trading day immediately preceding the effective date of PPC's emergence from bankruptcy under Chapter 11 of the United States Bankruptcy Code, and (ii) 10,000,000 shares, which will be held by the Reorganized PPC and may be issued for the purposes of granting awards pursuant to the LTIP, all of which may be issued pursuant to the exercise of "incentive stock options" within the meaning of Section 422 of the IRC.

Any shares subject to an award that terminate, expire or are settled in cash will be available again for grant under the LTIP. Shares tendered or withheld as payment of the exercise price under an award or as a tax withholding for a payment of an award will also be available again for future grant under the LTIP. Shares issued by the Reorganized PPC to assume or substitute for outstanding awards of an entity acquired by the Reorganized PPC or related entities will not be counted against the shares available for issuance under the LTIP. The payment of dividend equivalent rights in cash will not be counted against the number of shares available for issuance under the LTIP. The shares ultimately distributed under the LTIP may consist of authorized and unissued shares, treasury shares or shares purchased on the open market.

Administration

The LTIP will be administered by the Board of Directors of the Reorganized PPC unless such Board of Directors chooses to delegate administration responsibilities to be constituted in such a manner that will satisfy applicable law and stock exchange rules (the Board of Directors acting in this capacity or any committee appointed to so act are referred to herein as the "LTIP Committee"). The LTIP Committee will determine which eligible individuals are to receive awards under the LTIP, the type or types of award granted, the time or times when such awards are made, exercise price, grant price, purchase price, award restrictions, and vesting schedules. The LTIP Committee will also determine whether the exercise price of an award will be paid in cash, shares, other awards, or other property, and whether an award may be canceled, forfeited, or surrendered. The LTIP Committee may amend the terms of the LTIP and outstanding awards, except that no amendment will be effective without stockholder approval if stockholder approval is required by applicable laws or by the listing standards of the principal exchange on which the Reorganized PPC's common stock is traded, and amendments to outstanding awards may not materially and adversely impact the rights of a participant without the participant's prior written consent. The LTIP Committee does not have the authority to accelerate or delay issuance of shares under

an award if the acceleration or delay would be considered a deferral of compensation under Section 409A of the IRC, except to the extent that such acceleration or delay may, in the LTIP Committee's discretion, take effect in a manner that will not cause any person to incur taxes, interest or penalties under Section 409A of the IRC.

Equity Awards

The LTIP provides for the following types of awards:

Stock Options. The LTIP provides for the grant of incentive stock options, or "ISOs," within the meaning of Section 422 of the IRC, and non-qualified stock options, or "NSOs," to employees, directors and consultants. ISOs may only be granted to employees of the Reorganized PPC or its subsidiaries. Options are granted with terms determined by the LTIP Committee, provided that ISOs are subject to statutory ISO limitations. Thus, the LTIP Committee determines the exercise price for a stock option within the terms and conditions of the LTIP Committee and applicable law, provided that the exercise price may not be less than 100% of the fair market value of the Reorganized PPC's common stock on the date of grant. Any person who owns more than 10% of the total combined voting power of all classes of the Reorganized PPC's stock and the stock of any parent or of any of the Reorganized PPC's subsidiaries (referred to herein as a "10% owner") may not be granted an ISO unless the exercise price is at least 110% of the fair market value of the Reorganized PPC's common stock on the date of grant. "Fair market value" is defined in the LTIP.

Options granted under the LTIP will vest at the rate specified by the LTIP Committee. The LTIP Committee may also substitute a stock appreciation right for a stock option any time before the option is exercised.

The term of any stock option granted under the LTIP may not exceed ten years, and the term of any ISO granted to a 10% owner may not exceed five years. However, if a participant's employment with the Reorganized PPC ends within ten years from the date an ISO is granted to him or her, the ISO may not expire later than three months after the participant ceases working for the Reorganized PPC, unless the participant terminates employment on account of disability or death, in which case the ISO may not expire later than one year after the date employment terminates.

Participants in the LTIP may pay the exercise price for the shares of stock underlying the granted options in cash, in shares of the Reorganized PPC's common stock held by the participant, or in other property of the participant that is acceptable to the LTIP Committee. The option may also be exercised through a broker-dealer sale and remittance procedure pursuant to which the participant effects a same day exercise of the option and sale of the purchased shares in order to cover the exercise price for the purchased shares and the applicable withholding taxes. In addition, the LTIP Committee may provide financial assistance to a participant who wishes to exercise his or her outstanding options, provided that the participant is not an executive officer or member of the Reorganized PPC's Board of Directors, by allowing the participant to deliver an interest-bearing promissory note in the amount of the exercise price and any associated withholding taxes.

Restricted Stock. A restricted stock award is a right to receive shares of the Reorganized PPC's common stock that are subject to restrictions established by the LTIP Committee. Participants who are granted restricted stock awards under the LTIP Committee may have restrictions on transferability, voting rights and the right to receive dividends on restricted stock awarded under the LTIP. The price that participants will pay for each share of restricted stock will be set by the LTIP Committee and will be paid in a form approved by the LTIP Committee, which may be cash, services rendered or to be rendered to the Reorganized PPC or a related entity, or in another form of payment.

Stock Appreciation Rights. Stock appreciation rights, or “SARs,” typically provide for payments to the holder based upon increases in the price of the Reorganized PPC’s common stock from the date the SAR was granted to the date that the right is exercised. Unlike an option, the participant is not required to pay an exercise price to exercise a SAR, but simply receives the net amount of the increase in the stock price. The LTIP Committee may elect to settle SARs in cash, in common stock, or in a combination of cash and common stock. The term of a SAR may not exceed ten years.

Performance Share Awards. Performance share awards are awards of shares of Reorganized PPC’s common stock due to satisfaction of performance criteria and assessment of the recipient’s contributions, responsibilities and other compensation as determined by the LTIP Committee, as of a specified date or dates or over a period or periods determined by the LTIP Committee.

Performance Stock Units. Performance stock units are denominated in unit equivalent of shares of the Reorganized PPC’s common stock and/or units of value, including dollar value of shares of the Reorganized PPC’s common stock. They may provide for payment based on specific performance criteria and assessment of the recipient’s contributions, responsibilities and other compensation determined by the LTIP Committee, as of a specified date or dates or over a period or periods determined by the LTIP Committee.

Dividend Equivalent Rights. Dividend equivalent rights are rights to receive the equivalent value, in cash or common stock, of dividends paid on shares that are subject to any award under the LTIP. If dividend equivalent rights are granted, they would be credited as of the dividend payment dates, if any, that occur between an award’s date of grant and date of exercise, vesting, or expiration, as determined by the LTIP Committee. Dividend equivalents are converted to cash or shares by a formula, at a time and with the limitations that are set by the LTIP Committee.

Restricted Stock Units. Restricted stock units are denominated in unit equivalent of shares of the Reorganized PPC’s common stock and are typically awarded to participants without payment of consideration. They are subject to vesting conditions based upon a schedule or performance criteria established by the LTIP Committee. Unlike restricted stock, the stock underlying restricted stock units will not be issued until the restricted stock units have vested. In addition, recipients of restricted stock units generally have no voting or dividend rights until the vesting conditions are satisfied. Restricted stock units may be settled in shares of the Reorganized PPC’s common stock, cash or a combination of both.

Performance Bonus Awards. Performance bonus awards are cash bonuses that are paid upon achievement of performance goals that are established by the LTIP Committee as of a specified date or dates or over a period or periods determined by the LTIP Committee. These awards are intended to comply with IRS requirements under Section 162(m) of the IRC for performance-based compensation.

Other Awards. The LTIP Committee may make other types of awards under the LTIP as long as the awards are consistent with the terms of the LTIP, and they involve either issuance of shares, vesting based on the passing of time, occurrence of one or more events, satisfaction of performance criteria, or issuance of another security which derives its value from the value of the Reorganized PPC’s common stock.

Performance-Based Awards. Performance-based awards include awards other than options or SARs that comply with IRS requirements under Section 162(m) of the IRC for performance-based compensation. The LTIP Committee may designate employees as “covered employees” whose compensation for a given fiscal year may be subject to the limit on deductible compensation imposed by

Section 162(m) of the IRC. The LTIP Committee may grant to covered employees awards that are paid, vest or become exercisable upon the attainment of Reorganized PPC's performance criteria established by the LTIP Committee that are related to one or more performance goals as applicable to the Reorganized PPC or any of the Reorganized PPC's subsidiaries, divisions or operating units, or the performance of an individual. The following performance criteria may be considered for purposes of awards that are intended to qualify as "performance-based" compensation under 162(m) of the IRC: revenue; earnings or net earnings (including earnings before any one or more of the following: interest, taxes, depreciation, or amortization); sales; economic value-added; cash flow (including, but not limited to, operating cash flow and free cash flow); cash flow return on capital; earnings per share of common stock (including earnings before any one or more of the following: interest, taxes, depreciation, amortization, restructuring costs or rental expenses); return on equity; return on capital; total stockholder return; return on invested capital; return on assets or net assets; return on sales; income or net income (either before or after taxes); operating earnings; operating income or net operating income; operating profit or net operating profit; operating or net profit margin; cost reductions or savings or expense management; funds from operations; appreciation in the fair market value of shares of common stock; working capital; market share; productivity; expense; operating efficiency; customer satisfaction; and safety record.

At the time of grant, the LTIP Committee may specify one or more objectively determinable adjustments set forth in the LTIP that may be made to one or more of the performance goals.

No participant in the LTIP may receive more than 5 million shares of common stock per fiscal year pursuant to awards granted under the LTIP that are intended to comply with Section 162(m) of the IRC. The maximum cash amount paid during any fiscal year for awards that are intended to comply with Section 162(m) of the IRC (including performance bonus awards) to a single participant is \$10 million. If an award is canceled, the canceled award will continue to count against the maximum number of shares that the participant who was granted the award may receive for the fiscal year in which the cancellation occurs.

Eligibility

The individuals eligible to participate in the LTIP include the Reorganized PPC's officers and other employees, members of the Reorganized PPC's Board of Directors and any consultants hired by the Reorganized PPC, as well as employees, members of the boards of, and any consultants to, the Reorganized PPC's affiliates, except that only employees of the Reorganized PPC or its subsidiaries may be granted ISOs.

Change in Control

The LTIP contains a change in control provision, which may result in the accelerated vesting of outstanding awards. In the event of a change in control of the Reorganized PPC (for example, acquisition by merger or asset sale), each award outstanding under the LTIP will immediately vest, unless the award is converted, assumed or replaced by the successor corporation. In connection with a change in control, the LTIP Committee may permit a participant to exercise his or her awards during a period of time determined by the LTIP Committee. A change in control is generally defined as:

- a direct or indirect sale or other disposition of all or substantially all the assets of the Reorganized PPC other than to a direct or an indirect subsidiary of the Reorganized PPC;
- the consummation of any transaction (including, without limitation, any merger, consolidation or recapitalization) to which the Reorganized PPC is a party, the result of which is that immediately after the transaction the stockholders of the Reorganized PPC immediately prior to

the transaction hold less than 50.1% of the total voting power generally entitled to vote in the election of directors, managers or trustees of the Reorganized PPC that survives the transaction;

- the direct or indirect acquisition of more than 50% of the total voting stock of the Reorganized PPC;
- during any two consecutive years, individuals who at the beginning of the two-year period constituted the members of the Reorganized PPC's Board of Directors (together with any new directors whose election or nomination was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of the two-year period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the Reorganized PPC's Board of Directors then in office; or
- the adoption of a plan for the liquidation or dissolution of the Reorganized PPC.

Adjustment Upon Changes in Capitalization

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, other distribution (other than normal cash dividends) of assets to the Reorganized PPC's stockholders, or any other change affecting the Reorganized PPC's common stock other than certain equity restructurings enumerated in the LTIP, the LTIP Committee will make appropriate adjustments in the number and type of shares subject to the LTIP, the terms and conditions of any award outstanding under the LTIP, and the grant or exercise price of any such award. In the case of certain equity restructurings specified in the LTIP, the number and types of securities subject to each outstanding award and the grant or exercise price will be adjusted without any discretion on the part of the LTIP Committee.

Amendment and Termination of the LTIP

With the approval of the Reorganized PPC's Board of Directors, the LTIP Committee may suspend or terminate the LTIP, or any part thereof, at any time and for any reason. With the approval of the Reorganized PPC's Board of Directors, the LTIP Committee may also amend the LTIP from time to time, except that the LTIP Committee may not, without prior stockholder approval, amend the LTIP in any manner which would require stockholder approval to comply with any applicable laws, regulations or rules. No action by the Reorganized PPC's Board of Directors, the LTIP Committee or the Reorganized PPC's stockholders may alter or impair any award previously granted under the LTIP without the consent of the participant. Unless terminated earlier, the LTIP shall terminate ten years from the date of its approval by the Reorganized PPC's stockholders, except that ISOs may not be granted following the tenth anniversary of the date the Reorganized PPC's Board of Directors adopted the LTIP.

Repricing of Certain Awards

The LTIP permits the LTIP Committee in its sole discretion to amend the terms of any outstanding option or SAR under the LTIP to reduce its exercise price and to cancel and replace any outstanding options or SARs with grants having a lower exercise price.

EXHIBIT D-1

Short Term Management Incentive Plan

EXHIBIT D-2

Long Term Incentive Plan

EXHIBIT E

List of Initial Directors for the Reorganized Debtors

[To be filed with the Plan Supplement¹]

¹ The identity of the independent director of the Reorganized PPC to be designated by the Plan Sponsor shall be disclosed no later than 3 calendar days before the Confirmation Hearing

SCHEDULE 1.34

Compensation and Benefit Programs

The Debtors have the following compensation and employee benefit programs and agreements that either are in effect or are expected to be in effect prior to the Effective Date. The Plan contemplates assumption of each such program and agreement. The Debtors plan to continue to meet the minimum funding requirements under the Pilgrim's Pride Pension Plan for Legacy GoldKist Employees, the Pilgrim's Pride Retirement Plan for Union Employees and the Pilgrim's Pride Retirement Plan for El Dorado Union Employees.

1. *Gold Kist former directors paid medical agreements*

There are 12 participants in this plan. The benefits are funded from current operations and the participants are included in a medical benefits plan.

2. *Gold Kist former directors lifetime retainer benefit agreements*

There are 11 participants in this plan. The benefits are funded in part with the proceeds of a Rabbi trust maintained at SunTrust Bank, and in part from current operations.

3. *Gold Kist former employees deferred compensation plan agreements*

There are five participants in this plan. The benefits are funded in part with the proceeds of a Rabbi trust maintained at SunTrust Bank, and in part from current operations.

4. *Gold Kist SERP for former GoldKist employees*

There are 56 participants in this plan. The benefits are funded in part with the proceeds of a Rabbi trust maintained at SunTrust Bank, and in part from current operations.

5. *Gold Kist Executive Savings Plan*

As a result of the acquisition of Gold Kist in 2006, the Debtors assumed administration of a plan whereby employees could defer earnings to be paid later. The assets of this plan were merged into the Pilgrims Pride Deferred Compensation Plan but plan provisions remain separate. The funds are in a Rabbi trust with Wells Fargo.

6. *Gold Kist Directors Savings Plan*

As a result of the acquisition of Gold Kist in 2006, the Debtors assumed administration of a plan whereby Gold Kist directors could defer earnings to be paid later. The assets of this plan were merged into the Pilgrims Pride Deferred Compensation Plan but plan provisions remain separate. The funds are in a Rabbi trust with Wells Fargo.

7. *Gold Kist Enhanced Defined Contribution Plan*

As a result of the acquisition of Gold Kist in 2006, the Debtors assumed administration of this frozen defined contribution tax qualified retirement plan.

8. Pilgrim's Pride Pension Plan for Legacy Gold Kist Employees

As a result of the Debtors' acquisition of Gold Kist in 2006, PPC became the sponsor of an ERISA defined benefit pension plan that was offered to Gold Kist employees. The plan has been frozen effective February 8, 2007, but participants are eligible to receive pension benefits per the terms of the plan upon termination or retirement.

9. Pilgrim's Pride 2005 Deferred Compensation Plan

The Debtors have a plan that allows certain, highly-compensated employees (those who earn \$100,000 or more) to defer a portion of their annual salary and/or bonus payments. The Debtors match a certain amount of these deferrals.

10. Pilgrim's Pride Retirement Plan for Union Employees

The Debtors maintain an ERISA defined benefit plan for current union employees. As described in Section IV(G) of the Disclosure Statement, the Debtors have successfully negotiated agreements with the majority of groups covered under this benefit plan to freeze the plan, although discussions with two unions are still ongoing.

11. Pilgrim's Pride Retirement Plan for El Dorado Union Employees

The Debtor maintained a retirement plan for union employees for the El Dorado site, which was spun off into a separate plan in 2008. PPC has frozen the plan and filed an application to terminate, but no response has been received from the IRS to date.

12. UFCW Pension Fund

The Debtors make contributions to the UFCW multi-employer defined benefit plans for eligible participants at two UFCW plants, the Athens Supply Plant (as defined below) and the plant in Elberton, GA.

13. 401K Plans

The Debtors withhold from the wages of participating and eligible employees' contributions toward a 401(k) plan. The Debtors generally match 30% of the first 6% of the employees' contributions, but some of the bargaining unit and union agreements require different matching contribution rates. Prudential Financial, Inc. maintains most of the 401(k) plans, but the To-Ricos entities have their savings plan (similar to a U.S. 401(k) plan) administered by Pension Services, Inc. The employees' contributions are generally deducted and forwarded, along with the Debtors' matching contributions on a weekly basis.

14. Severance Plan

The Debtors provide severance benefits to certain eligible employees if their employment is terminated without cause. In addition to severance pay, the eligible employees receive COBRA coverage for which they are eligible.

15. 2009 Performance Bonus Plans

During the Chapter 11 Cases, PPC's board of directors approved an incentive plan for the fiscal year 2009 for approximately 80 employees and executives, including senior vice presidents and above (who currently are not included in any incentive plan), vice presidents, complex managers and select manager-level employees (the "Key Employees") tasked with assisting the Debtors in their Chapter 11 Cases to incentivize the Key Employees to see the Debtors through a successful exit from bankruptcy. The amounts to be paid to the Key Employees are linked to the Debtors' earnings before interest, taxes, depreciation, amortization and restructuring costs ("EBITDAR") in the third and fourth quarters of fiscal 2009 and the successful emergence of the Debtors from bankruptcy (participants are also required to still be employed on the date immediately preceding the Debtors' emergence from bankruptcy). Key Employees eligible to receive payments under this incentive plan who also participate in PPC's Performance Incentive Plan or who are parties to the Key Employee Incentive Compensation Agreements will receive only the highest amount payable under any of the three arrangements. PPC's board of directors also approved a similar incentive plan for Lonnie A. "Bo" Pilgrim. On September 4, 2009, the Debtors filed with the Bankruptcy Court a motion to approve the incentive plan for Key Employees. The motion is expected to be heard by the Bankruptcy Court on September 29, 2009.

16. Paid Time Off (PTO)

Eligible Employees receive their full wages for, among other things, vacation days, sick days, personal days, and holidays. Employees accrue paid time off and related obligations based upon the following calculations:

(a) Vacation, Sick Days and Personal Days: Salaried and hourly non-bargaining unit employees ("NBU Employees") earn paid vacation on each anniversary of their employment. On their personal employment anniversary, salaried and hourly NBU Employees earn vacation that can be used in the next 12 months. Vacation days do not carry over to the following year. If salaried and hourly NBU Employees leave within the year, they are paid cash for all unused vacation days. Vacation days may be used as sick days. Generally, only salaried nonexempt Employees are eligible to receive paid personal days. Employees may not receive cash for their unused paid personal days. PPC provides hourly BU Employees' with vacation, sick and personal days in accordance with each Employee's respective union contract.

(b) Holiday Pay: Salaried and hourly NBU Employees are allowed eight paid holidays per year. With the exception of Thanksgiving and Christmas, most of the holidays are determined at the discretion of the Debtors. The Debtors provide hourly BU Employees' paid holidays in accordance with each Employee's respective union contract.

17. Health and Welfare Plans

(a) Medical, Dental and Vision Plans: The Debtors offer medical coverage (including prescription drug coverage) to their salaried and hourly NBU Employees. All bargaining-unit employees ("BU Employees") are eligible to receive medical coverage pursuant to the terms of their collective bargaining agreements. Hourly BU Employees may be provided with medical coverage (including prescription drug coverage), depending on the individual's BU contract with the Debtors. Those individuals employed by To-Ricos, Ltd. or To-Ricos Distribution, Ltd. (collectively, the "To-Ricos Entities") are eligible to receive medical coverage the first of the month after 90 days of their hire date.

The Debtors' medical coverage, with the exception of medical coverage provided by the To-Ricos Entities, is primarily provided through a self-insured plan. BlueCross BlueShield of Texas (the "BCBS of TX") serves as claims administrator for all of the Debtors, with the exception of the To-Ricos Entities. The medical coverage (including dental coverage) offered by the To-Ricos Entities is not self-insured, but instead provided by MCS Life Insurance ("MCS") and Plan de Salud Hospital Menonita ("PHM"). Because the Debtors self-insure their medical plan, the Debtors (with the exception of the To-Ricos Entities) do not pay any premiums with respect thereto. Generally, the Debtors pay approximately 75% of the cost of the medical plan coverage for Employees and their enrolled family members, with the balance contributed by the Employees through payroll withholding. Approximately 26,408 Employees participate in the Debtors' medical insurance plan.

The Debtors offer dental coverage, through Ameritas dental plan, to those nonunion Employees working at the Debtors' Athens, Georgia site (the "Athens Supply Plant") and those union Employees working at one of three legacy Gold Kist sites. Approximately 1,553 Employees are covered by the Ameritas dental plan. The Debtors also offer Ameritas dental plans to their salaried, non-union hourly and certain union hourly Employees. These plans, however, are paid entirely by participating Employees.

In addition to the above noted Employees, approximately 1,780 Employees are provided dental coverage through the UFCW. The Debtors pay the premiums in connection with the dental coverage provided by UFCW.

The Debtors offer vision coverage to their non-union hourly Employees working at the Athens Supply Plant through the Ameritas vision care plan. Approximately 106 Employees are covered by the Ameritas vision plan. The Debtors also offer Ameritas vision plans to their salaried, nonunion hourly and certain union hourly Employees. These plans, however, are paid entirely by participating Employees.

In addition to the above noted Employees, approximately 1,766 Employees are provided vision coverage through the UFCW. The Debtors fund the payment of premiums to UFCW which, in turn, provides vision coverage to the participating Employees.

(b) Basic Life, AD&D, and Business Travel Accident Insurance: The Debtors, with the exception of the To-Ricos Entities (which entities' coverage is described separately below), maintain basic life and AD&D insurance coverage for their salaried and hourly NBU and BU Employees in the event of serious illness, injury, or death. Salaried Employees are eligible to receive basic life and AD&D insurance on the date of their employment and non-union hourly Employees are eligible following 60 days of employment. Union Employees' eligibility depends on the terms of their respective collective bargaining agreements. The Debtors' (other than the To-Ricos Entities) life insurance plan and AD&D are maintained under the same insurance policy provided by Unum Life Insurance Company of America ("Unum"). Under the basic life insurance plan, in the event of an Employee's death, the Employee's designee is entitled to one times the Employee's annual base pay, up to \$1 million. Additionally, under the Debtors' AD&D plan, an Employee or its designee may receive up to one times the Employee's annual base pay, up to \$1 million. Those Employees with need for a higher level of protection than afforded under the basic life insurance plan may purchase supplemental term life and AD&D insurance, and dependant life insurance.

The To-Ricos Entities offer basic life, AD&D supplemental life and AD&D, and dependent life insurance to all of their full time salaried Employees. These insurance policies are provided by Boston Mutual Life Insurance Company ("BML"). Under the basic life insurance policy, in the event of an executive Employee's death, the Employee's designee is entitled to one times the Employee's

annual base pay; a sales Employee is entitled to \$30,000; and all other Employees are entitled to \$25,000. Under the AD&D plan, an Employee or the Employee's designee may receive up to one times the Employee's annual base pay, up to \$1 million. The To-Ricos Entities offer supplemental life and AD&D insurance, in an amount equal to 1 to 5 times the Employee's annual base pay.

The Debtors, other than the To-Ricos Entities, also maintain business travel accident insurance for their salaried and hourly NBU Employees. Salaried Employees are eligible to participate in this coverage upon employment, and hourly NBU Employees are eligible following the completion of 60 days of employment. The Debtors' business travel accident insurance is provided by Cigna. Under the business travel accident insurance plan, in the event that something happens to an Employee while he or she is traveling on a business trip for Pilgrim's Pride, the Employee or the Employee's designee may receive up to ten times the Employee's annual base pay, up to \$500,000.

(c) Voluntary Accident, Whole Life, and Critical Illness Insurance: Salaried and hourly NBU and BU Employees may enter into individual insurance contracts with their insurance provider to obtain accident, whole life, and critical illness insurance. Voluntary accident insurance (the "Voluntary Accident Insurance Policy") provides benefits for covered injuries and accident-related expenses for an individual or family. Because health insurance only covers certain expenses, the Voluntary Accident Insurance Policy is designed to help cover the out-of-pocket expenses that result from a covered accident. Voluntary whole life insurance (the "Voluntary Whole Life Insurance Policy") provides a death benefit to an Employee's beneficiary if the Employee passes away, but it may also build cash value that the Employee may use while the Employee is alive. Voluntary critical illness insurance (the "Voluntary Critical Illness Insurance Policy") provides financial protection for an Employee and his or her family in the event of a serious medical condition, such as a heart attack or cancer. The policy provides a lump sum benefit that may be used any way the Employee chooses. The Debtors do not incur any expenses in connection with the Voluntary Accident Insurance Policy, Voluntary Whole Life Insurance Policy, or the Voluntary Critical Illness Insurance Policy.

(d) Disability Benefits: The Debtors offer short term disability pay to their NBU Employees, funded entirely by PPC. The pay policy provides an Employee who is unable to work due to an illness or injury sixty percent (60%) of his or her base pay for up to 26 weeks. Those Employees who are enrolled in any medical plan and have one year of service are automatically eligible to receive pay in the event of sustaining a disability pursuant to the Debtors' short term disability pay policy. Individuals working for the To-Ricos Entities, however, are immediately eligible to receive short term disability pay on the date of hire. With the exception of the To-Ricos Entities, Unum administers the Debtors' short term disability program. The To-Ricos Entities' short term disability program is administered by Cosvi. The plan administrators advise the Debtors as to whether an Employee should receive short term disability pay. If it is determined the Employee should receive the short term disability pay, the Debtors distribute the pay through the Employee's salary or wages.

The Debtors also offer short term disability coverage to certain union Employees. The short term disability coverage is insured by Unum. Unum distributes the short term disability pay to the Employees, after deducting premiums for medical, dental, and vision coverage, which premiums it submits to the Debtors via wire or check.

The Debtors offer a salary continuation program to their salaried Employees. Under the salary continuation program, an Employee who is injured or ill may receive one hundred percent (100%) of his or her base salary up to 6 weeks and sixty percent (60%) of his or her base salary up to an additional 19 weeks. Salary continuation begins the first day following an injury or on the eighth day of an illness, inpatient hospitalization, or outpatient service. Employees must report their disability to Unum, the managed disability provider, who advises the Debtors of the approved

disability period. Employees are not paid under the salary continuation program until they obtain approval by Unum. When disability is due to an illness, the Employee must complete a 7-day elimination period before the Employee may begin receiving salary continuation. When the Employee's disability is due to an injury, no elimination period applies. Salaried non-exempt Employees must use vacation or personal time to receive pay during the elimination period; however, salaried exempt Employees are paid regular salary during the elimination period. If Unum determines that an Employee is eligible to participate in the Debtors' salary continuation program, the Debtors distribute the pay the Employee is entitled to receive under the program through the Employees salary or wages. While on leave of absence, the Employee is ineligible for holiday, vacation, personal time, or shift differential pay.

If a salaried Employee is unable to return to work due to an illness or injury at the end of the salary continuation period, the Employee may apply for benefits under the Debtors' long term disability plan, which plan is administered by Unum and, with respect to the To-Ricos Entities, by Universal Life Insurance Company ("Universal"). Those individuals employed by either of the To-Ricos Entities are eligible to apply for long term disability benefits immediately following their 90th day of employment, even if they are hourly Employees. Under the Debtors' long term disability plan, an Employee (other than an individual employed by the To-Ricos Entities) may receive sixty percent (60%) of his or her average monthly base pay for the duration of his or her disability until he or she reaches the age of 65. However, if the disability occurs at age 60, benefits are paid according to a graded time schedule which ranges from five years at age 60 to twelve months at age 69 and older. Those individuals employed by either of the To-Ricos Entities who are paid hourly, are eligible to receive \$100 per month for the duration of the disability; those salary nonexempt Employees are eligible to receive 60% of their annual base pay up to \$5,000, and those salary exempt Employees are eligible to receive 60% of their annual base pay up to \$8,000. Amounts an Employee receives from other sources of income, such as workers' compensation, social security, or other federal, state, or local laws, as well as any retirement benefits, reduce long term disability benefits.

The Debtors' long term disability plan is fully insured. The insurance premiums associated with the long term disability coverage are deducted from an Employee's pay on an after tax basis. The Debtors reimburse the Employee half of the premium as compensation.

(e) Flexible Spending Programs: Salaried and hourly NBU Employees may enroll in Flexible Spending Programs ("FSPs"), which programs are administered by PayFlex Systems USA, Inc. ("PayFlex"). Pursuant to these programs, eligible Employees may contribute up to \$5,000 per year of pre-tax income through payroll deductions to be used for out-of-pocket medical, dental, or vision expenses, and up to \$5,000 per year for child-care or elder-care expenses. The Debtors deduct Employees' contributions toward this program from their wages on a weekly basis, hold such amounts in a separate account, and forward such amounts to Payflex. Payflex issues reimbursements to Employees for eligible expenses. Because the Debtors' open enrollment provider pays Payflex's administrative fees, the Debtors do not incur any costs in connection with the administration of the FSPs.

18. Key Employee Incentive Compensation Agreements

The Debtors have entered into Key Employee Incentive Compensation Agreements (the "Incentive Agreements") with approximately 210 Employees. The Incentive Agreements were entered into in order to assure that the Debtors will have the continued dedication of certain of their Employees while the Debtors restructure their capital and financial structure. Participants must remain employed by the Debtors through December 31, 2009 to receive payment, which payment will not become due, with

certain exceptions, until January 2010. The maximum payout under the Incentive Agreements totals \$5.7 million in the aggregate.

19. Performance Improvement Plan

The Debtors offer certain salaried Employees an annual cash incentive award pursuant to the Pilgrim's Pride Corporation Performance Improvement Plan (the "PIP"). Approximately 375 Employees are eligible to participate in the PIP. The primary purposes of the PIP are, among other things, to motivate Employees toward achieving annual goals set by the Debtors' executive team, encourage teamwork, and reward loyalty. Payments under the PIP will not be made until after the end of the Debtors' fiscal year 2009. Those employees who are eligible to receive a payment pursuant to the PIP as well as any other incentive program are only eligible to receive a payment from one program (the program with the highest payout). The maximum payout under the PIP totals \$4.5 million.

20. Professional Drivers Incentive Program

The Debtors maintain a professional drivers incentive program (the "Safe Driving Award Program") to reward eligible Employees for the safe and professional operation of commercial vehicles throughout the program year. Approximately 1,650 of the Debtors' truck drivers are eligible to participate in the program. The program year begins on June 1 and ends on May 31 of each year. Employees are eligible to participate in the program if they, among other things, (i) are a full time driver for the entire program year, (ii) did not have an occurrence during the program year, (iii) drove at least 48 weeks in the program year, and (iv) were not placed on disciplinary suspension at any time during the program year. Eligible participants receive either cash or prizes depending on the number of award years that the Employee has participated in the program. The maximum amount an eligible Employee may receive is \$2,000 in cash. Cash prizes generally increase with the number of years an Employee has participated in the program. Payments under the program are made once a year in or around August.

21. Attendance Award Program

The Debtors reward hourly Employees who work at select sites and achieve perfect attendance in a 12 month period. The award amounts depend on the particular site at which an individual works. Awards are distributed along with an Employee's pay.

22. Incentive Education Program

The Debtors reward hourly Employees working at certain of the Debtors' facilities, who improve their reading or math skills by two grade levels or receive their General Equivalency Diploma and complete at least 40 hours of study time at an approved program. Those qualifying Employees receive a net amount of \$100. Awards are distributed along with an Employee's pay. The Debtors provide their eligible Employees with various service awards and benefits to recognize and reward employee dedication and performance. For example, the Debtors pay cash awards to those Employees who devote a certain number of years to service.

Hourly Employees who work at select sites may each also receive a \$250 quarterly reward to the extent that the Employee, among other requirements, engages in training for Hazmat Technician, Confined Space Entry & Rescue, CPR, First Aid and Bloodborne Pathogens. Certain key hourly Employees are also eligible on a discretionary basis to receive "stay-on" rewards as an incentive to continue to work at a site that is closing. These Employees are not eligible to receive severance.

23. Referral and Sign-On Rewards

The Debtors also offer referral and sign-on rewards. Those Employees who refer individuals to fulfill certain salaried exempt positions are eligible to receive a monetary reward. Those Employees who refer individuals later hired by the Debtors are entitled to receive \$10,000 for referring an individual to a salaried exempt senior level position and \$5,000 for referring an individual to other identified salaried exempt positions. Referral rewards are paid in two installments, the first following 6 months of the referee's employment and the second following 24 months of employment. Additionally, certain key hires are offered sign-on rewards which are paid within the first few weeks of the date of hire, but must be repaid if the Employee leaves before the end of the designated period (usually one year).

24. Tuition Reimbursement

Full time salaried and hourly NBU Employees are entitled to receive tuition reimbursement under the Debtors' tuition reimbursement program (the "Tuition Reimbursement Program"). Under the program, Employees who receive a grade of "C" or better on coursework provided by an accredited institution qualify for reimbursement. Employees may receive up to \$3,000 per year for tuition reimbursement, with a maximum of up to \$20,000 in a lifetime. Employees receive reimbursement along with their weekly pay.

25. Chaplain Program

The Debtors maintain a chaplain program (the "Chaplain Program") with Marketplace Chaplains USA ("Marketplace"), that provides crisis and emergency management support to salaried and hourly BU and NBU Employees. The Debtors pay 100% of the cost of the Chaplain Program for Employees and their immediate families.

26. Nurse Line Program

The Debtors provide, through BCBS of TX, a toll free telephone service (the "24/7 Nurseline Program") that connects participating Employees to experienced registered nurses who can answer questions and provide information on a variety of health care concerns.

27. Special Beginnings Maternity Program

The Debtors maintain, through BCBS of TX, a maternity program (the "Special Beginnings Maternity Program"), which offers prenatal education, obstetric check-up planning, and lifestyle awareness to salaried and hourly NBU and BU Employees and their spouses, regardless of whether the Employees and their spouses are enrolled in the Debtors' medical plan.

28. Car Allowance Program

The To-Ricos Entities provide a car allowance (the "Car Allowance Program") to those Employees who use automobiles in the course of their work with the Debtors. Approximately 35 Employees are eligible to participate in the Car Allowance Program.

29. Relocation Program

The Debtors offer a relocation reimbursement plan (the "Relocation Reimbursement Plan") to new hires and current employees who transfer to a different geographical location. The Relocation Reimbursement Plan applies to the following two categories of employees and the level of benefits varies

for each: (i) executive Employees and (ii) full time exempt salaried Employees with this program, based on whether full time exempt salaried Employees are homeowners or renters. The scope of benefits varies among the two categories of Employees covered by the Relocation Reimbursement Plan, but in general includes reimbursement for residence-finding trips, temporary residence expense, moving expenses, home marketing and home sale assistance and similar types of arrangements. The Debtors have entered into an agreement with a relocation services provider, SIRVA Relocation LLC ("SIRVA"), to administer the Relocation Reimbursement Plan. With respect to certain types of reimbursable expenses paid directly to those entities that facilitate the relocation, such as movers of household goods, SIRVA funds payment and bills the Debtors at the end of each week. Other types of reimbursable expenses are paid directly by the Employee, who then submits his or her reimbursement requests to SIRVA. SIRVA processes the reimbursement requests provided by the Employee and, with respect to those allowable expenses, forwards the request to the Debtors for payment. The Employee's taxable reimbursements are included in his or her weekly pay as compensation and those non-taxable reimbursements are included in his or her weekly pay as expense reimbursement.

30. Service Awards

The Debtors offer a service awards program, designed to provide recognition to employees who have reached designated milestones in their career. Beginning with an employee's fifth anniversary, an employee receives a certificate and may select a gift from a brochure listing company paid gifts, which are available through Michael C. Fina. Every five years the employee may select another gift, the value of which increases as the anniversary date progresses.

SCHEDULE 8.1

Assumed Executory Contracts and Unexpired Leases

[To be filed with Plan Supplement]

SCHEDULE 8.7

Insurance Policies to be Rejected

[To be filed with Plan Supplement]





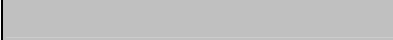
SCHEDULE 8.9

Other Contracts to be Rejected

[To be filed with Plan Supplement]

Document comparison by Workshare Professional on Monday, October 19, 2009 5:57:14 AM

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Rendering set	standard

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