

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE PILGRIM'S PRIDE CORPORATION :
DERIVATIVE LITIGATION : Consol. C.A. No. 2018-0058-JTL
:

**STIPULATION AND AGREEMENT
OF SETTLEMENT, COMPROMISE AND RELEASE**

This Stipulation and Agreement of Settlement, Compromise and Release (together with the exhibits hereto, the "Stipulation") is entered into by and among the following parties, by and through their respective undersigned counsel, to the above-captioned action (the "Action"): (i) plaintiffs Matthew Sciabacucchi ("Sciabacucchi") and Employees' Retirement System of the City of St. Louis ("St. Louis," and, together with Sciabacucchi, "Plaintiffs"); (ii) defendants JBS S.A. ("JBS") and JBS USA Holdings Lux S.à r.l. ("JBS Lux"); (iii) defendants William Lovette, Andre Nogueira de Souza, Gilberto Tomazoni, and Denilson Molina (collectively, the "Individual Defendants," and, together with JBS and JBS Lux, "Defendants"); and (iv) nominal defendant Pilgrim's Pride Corporation ("PPC" and, together with Plaintiffs and Defendants, the "Parties" and each a "Party"). This Stipulation sets forth the terms and conditions of the settlement and resolution of the Action (the "Settlement") and is intended by the Parties to fully, finally, and forever resolve, discharge, and settle all Released Plaintiffs' Claims (as defined below) as

against the Released Defendants' Persons (as defined below), subject to the approval of the Court of Chancery of the State of Delaware (the "Court").

WHEREAS:

A. On June 30, 2017, the board of directors of PPC formed a special committee consisting of Charles Macaluso, David Bell, and Michael Cooper (together with Macaluso and Bell, the "Special Committee Defendants") to consider a potential transaction involving Moy Park Ltd. ("Moy Park"), a U.K.-based poultry and prepared foods supplier;

B. On September 8, 2017, pursuant to a Share Purchase Agreement, dated September 8, 2017 (the "Share Purchase Agreement"), by and among JBS, Granite Holdings S.à r.l. ("Granite"), a société à responsabilité limitée organized under the laws of the Grand Duchy of Luxembourg, Onix Investments UK Limited ("Onix"), a private limited company incorporated under the laws of England and Wales, and PPC (solely for purposes of Article VII of the Share Purchase Agreement), PPC, through its wholly-owned indirect subsidiary, Onix, acquired all of the outstanding shares of Granite, which directly held all outstanding shares of Moy Park, from JBS for £1 billion (or approximately \$1.31 billion at then-current exchange rates) (the "Moy Park Transaction");

C. On the date of the Moy Park Transaction, JBS, through indirect wholly-owned subsidiaries, beneficially owned a majority of the outstanding common stock of PPC;

D. On September 11, 2017, PPC issued a press release announcing the Moy Park Transaction;

E. On October 17, 2017, Sciabacucchi served a demand pursuant to 8 *Del. C.* § 220 (the “Sciabacucchi 220 Demand”) to inspect PPC’s books and records relating to the Moy Park Transaction;

F. On November 29, 2017, counsel for Sciabacucchi and counsel for PPC executed a Confidentiality Agreement to facilitate the production of documents in response to the Sciabacucchi 220 Demand;

G. On December 22, 2017, PPC produced certain books and records in response to the Sciabacucchi 220 Demand;

H. On January 24, 2018, Sciabacucchi filed his Verified Derivative Complaint (the “Sciabacucchi Complaint”), purporting to bring claims derivatively on behalf of nominal defendant PPC, against JBS, JBS Lux, José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, Vivianne Mendonça Batista Silveira, William Lovette, David Bell, Michael Cooper, Charles Macaluso,

Andre Nogueira De Souza, Gilberto Tomazoni, Tarek Farahat, Denilson Molina, and Wallim Cruz De Vasconcellos, Jr. (the “Sciabacucchi Action”);

I. On March 15, 2018, Sciabacucchi voluntarily dismissed, without prejudice, defendants José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, and Vivianne Mendonça Batista Silveira (collectively, the “Batista Defendants”);

J. On March 19, 2018, Plaintiff St. Louis served a demand pursuant to 8 *Del. C.* § 220 (the “St. Louis 220 Demand” and, together with the Sciabacucchi 220 Demand, the “Demands”) to inspect PPC’s books and records relating to the Moy Park Transaction;

K. On March 20, 2018, JBS, JBS Lux, the Individual Defendants, Tarek Farahat, and Wallim Cruz De Vasconcellos, Jr. filed their Motion to Dismiss the Sciabacucchi Complaint;

L. On March 20, 2018, the Special Committee Defendants filed a Motion to Dismiss the Sciabacucchi Complaint;

M. On April 11, 2018, counsel for St. Louis and counsel for PPC executed a Confidentiality Agreement to facilitate the production of documents in response to the St. Louis 220 Demand;

N. On April 12, 2018, PPC produced certain books and records in response to the St. Louis 220 Demand;

O. On May 24, 2018, St. Louis filed its Verified Derivative Complaint, purporting to bring claims derivatively on behalf of nominal defendant PPC, against JBS, JBS Lux, José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, Vivianne Mendonça Batista Silveira, William Lovette, David Bell, Michael Cooper, Charles Macaluso, Andre Nogueira De Souza, Gilberto Tomazoni, Tarek Farahat, Denilson Molina, and Wallim Cruz De Vasconcellos, Jr. (the “St. Louis Action”);

P. On June 6, 2018, St. Louis voluntarily dismissed, without prejudice, the Batista Defendants;

Q. On July 2, 2018, the Court consolidated the Sciabacucchi Action and the St. Louis Action and designated the Sciabacucchi Complaint as the operative complaint (the “Complaint”);

R. The Complaint alleged, among other things, that PPC’s directors breached their fiduciary duties in connection with the Moy Park Transaction and that JBS and JBS Lux, as PPC’s controlling stockholders, breached their fiduciary duties by entering into the Moy Park Transaction;

S. On July 3, 2018, Plaintiffs voluntarily dismissed, without prejudice, the Special Committee Defendants;

T. On July 9, 2018, Plaintiffs voluntarily dismissed, without prejudice, Wallim Cruz de Vasconcellos, Jr.;

U. On March 15, 2019, following briefing and oral argument, the Court issued a Memorandum Opinion denying the motion to dismiss filed by defendants JBS, JBS Lux, William Lovette, Andre Nogueira De Souza, Gilberto Tomazoni, Tarek Farahat, and Denilson Molina;

V. Following the Court's decision on the motion to dismiss, the Parties engaged in extensive discovery. Plaintiffs served document demands on the Defendants and PPC and subpoenas on numerous non-parties. In total, Plaintiffs received and reviewed nearly 4,000 documents, totaling more than 42,000 pages, including documents relating to the sale process, competing bids for Moy Park, PPC's projections for Moy Park, PPC's estimated synergies, Moy Park's post-closing performance, and Moy Park's post-closing achievement of PPC's estimated synergies;

W. On April 3, 2019, Plaintiffs served their First Request for Production of Discovery Materials Directed to JBS and to the Individual Defendants, and Plaintiffs served their First Request for Production of Discovery Materials Directed to Nominal Defendant Pilgrim's Pride Corporation;

X. On April 5, 2019, Plaintiffs served their First Request for Production of Discovery Materials Directed to the Special Committee Defendants;

Y. On April 24, 2019, Plaintiffs voluntarily dismissed, without prejudice, defendant Tarek Farahat;

Z. On July 1, 2019, Plaintiffs' Counsel and Defendants' Counsel participated in a full day mediation session before retired United States District Court Judge Layn R. Phillips (the "Mediator"). In advance of that session, Plaintiffs and Defendants provided the Mediator with detailed mediation statements and exhibits that addressed the issues of liability and damages in the Action. The session ended without any agreement being reached. Thereafter, the Parties continued to engage in arm's-length negotiations under the supervision and guidance of the Mediator;

AA. On September 5, 2019, after extensive, arm's-length negotiations, Plaintiffs and Defendants, who were all represented by counsel with extensive experience and expertise in stockholder litigation, reached an agreement on the principal terms of this Stipulation providing for the settlement of Plaintiffs' claims against Defendants in the Action, subject to Confirmatory Discovery (as defined below), and memorialized their agreement by executing a mediation term sheet (the "Term Sheet"). The Settlement set forth herein reflects the results of the Parties' negotiations;

BB. In connection with the confirmatory due diligence discovery conducted by Plaintiffs, Defendants and PPC provided additional documents related to Moy Park's post-closing performance, including PPC's progress on implementing identified synergies, and Plaintiffs' Counsel deposed PPC's Chief Financial Officer, Fabio Sandri, and JBS's internal counsel, Daniel Pitta. Additionally, in connection with the confirmatory due diligence discovery conducted by Defendants (together with the confirmatory due diligence discovery conducted by Plaintiffs, "Confirmatory Discovery"), Plaintiffs have provided Defendants with proof that they currently own PPC stock and have continuously owned PPC stock since June 2017;

CC. In connection with settlement discussions and negotiations leading to the proposed Settlement set forth in this Stipulation, counsel for the Parties did not discuss the appropriateness or amount of any application by Plaintiffs' Counsel for an award of attorneys' fees and expenses until the substantive terms of the Settlement were negotiated at arm's-length and agreed upon;

DD. Plaintiffs brought their claims in good faith and continue to believe that their claims have merit but, based upon Plaintiffs' and Plaintiffs' Counsel's investigation, including a review of the documents produced in response to Plaintiffs' Demands and discovery requests, and taking into consideration the risks of continued litigation and the relative costs and benefits to PPC of continuing the

Action, and after conducting Confirmatory Discovery, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement is fair, reasonable, adequate, and in the best interests of PPC and its stockholders. Based on Plaintiffs' direct oversight of the prosecution of the Action, and with the advice of Plaintiffs' Counsel, Plaintiffs have agreed to settle, compromise, and release the claims asserted in the Action pursuant to the Settlement, after considering (a) the substantial financial benefit and corporate governance protections provided under the proposed Settlement; (b) the uncertain outcome, inherent delays, and significant risks of continued litigation; and (c) the desirability of permitting the Settlement to be consummated as provided by the terms of this Stipulation;

EE. Defendants, to avoid the burden, expense, disruption, and distraction of further litigation, and without admitting the validity of any allegations made by Plaintiffs in the Complaint, or any liability with respect thereto, have concluded that it is desirable that the claims against them be settled on the terms reflected in this Stipulation;

FF. Defendants have denied, and continue to deny, each and all of the claims and contentions alleged by Plaintiffs in the Complaint, including any and all allegations of wrongdoing, allegations of liability, and the existence of any damages asserted in the Complaint or arising from the Action. Without limiting the generality of the foregoing, Defendants have denied, and continue to deny, that they have

committed any breach of fiduciary duty or have violated any statutory duty whatsoever, and each Defendant expressly maintains that he or it has diligently and scrupulously complied with his or its statutory, fiduciary, and other legal duties and is entering into this Stipulation and the Settlement to eliminate the burden, expense, disruption, and distraction inherent in further litigation; and

GG. Each of the Parties recognizes and acknowledges, however, that the Action has been brought by Plaintiffs in good faith and defended by Defendants in good faith and that the Action is being voluntarily settled with the advice of counsel.

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Plaintiffs, Defendants, and PPC, by and through their respective undersigned attorneys and subject to the approval of the Court, that, in consideration of the benefits flowing to the Parties from the Settlement, all Released Plaintiffs' Claims as against the Released Defendants' Persons and all Released Defendants' Claims as against the Released Plaintiffs' Persons shall be settled and released, upon and subject to the terms and conditions set forth below.

DEFINITIONS

1. In addition to the terms defined above, as used in this Stipulation, the following additional terms have the meanings specified below:

(a) “Account” means a segregated, U.S.-based interest-bearing account designated for the deposit of the Cash Settlement Amount (as defined herein).

(b) “Cash Settlement Amount” means \$42,500,000.

(c) “Cash Settlement Fund” means the Cash Settlement Amount plus any interest earned thereon.

(d) “Defendants’ Counsel” means the law firms of Abrams & Bayliss LLP and Quinn Emanuel Urquhart & Sullivan, LLP.

(e) “Effective Date” means the first date by which all of the events and conditions specified in paragraph 17 of this Stipulation have been met and have occurred or have been waived.

(f) “Fee and Expense Award” means any attorneys’ fees or expenses awarded by the Court in response to the Fee and Expense Application (as defined herein).

(g) “Fee and Expense Application” means the application by Plaintiffs’ Counsel to be filed with the Court for an award of attorneys’ fees and reimbursement of litigation expenses to Plaintiffs’ Counsel.

(h) “Final” with respect to the Judgment (as defined below) or any other court order means: (i) if no appeal is filed, the expiration date of the time for filing or noticing of any appeal of the Judgment or order; or (ii) if there is an appeal

from the Judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the Judgment or order is finally affirmed on appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to attorneys' fees or expenses shall not in any way delay or preclude the Judgment from becoming Final.

(i) "Governance Provisions" means the governance provisions set forth on Exhibit A to this Stipulation.

(j) "Judgment" means the final judgment, substantially in the form attached hereto as Exhibit D, to be entered by the Court approving the Settlement.

(k) "Notice" means the Notice of Pendency of Derivative Action, Proposed Settlement of Derivative Action, Settlement Hearing, and Right to Appear, substantially in the form attached hereto as Exhibit C.

(l) "Notice Costs" means all costs, fees, and expenses related to providing notice of the Settlement to Company stockholders.

(m) "Person" means any individual, corporation, professional corporation, limited liability company, partnership, limited partnership, limited

liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, or any other business or legal entity.

(n) “Plaintiffs’ Counsel” means the law firms of Bernstein Litowitz Berger & Grossmann LLP, Block & Leviton LLP, and Heyman Enerio Gattuso & Hirzel LLP.

(o) “PPC’s Counsel” means Potter Anderson & Corroon LLP.

(p) “Released Defendants’ Claims” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including known claims and Unknown Claims, including, but not limited to, any claims arising under state or federal statutory or common law, that arise out of, are based upon, or relate to the institution, prosecution, or settlement of the claims asserted in the Action; *provided, however*, that the Released Defendants’ Claims shall not include any claims arising out of, based upon, or relating to the enforcement of this Stipulation or the Settlement, and

shall not include claims, if any, that any Party may have against any insurer with respect to obligations to fund the Cash Settlement Amount or any portion thereof.

(q) “Released Defendants’ Persons” means, whether or not each or all of the following Persons were named, served with process, or appeared in the Action, (i) Defendants; (ii) all Persons named at any time as defendants in the Complaint; (iii) PPC and all other past and present officers and directors of PPC; and (iv) for each and all of the Persons identified in the foregoing clauses (i), (ii) and (iii) of this subsection, any and all of their respective past or present family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, insurers, reinsurers, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, controlling persons, affiliates, parents, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, principals, officers, managers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates.

(r) “Released Persons” means each and any of the Released Defendants’ Persons and each and any of the Released Plaintiffs’ Persons.

(s) “Released Plaintiffs’ Claims” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including known claims and Unknown Claims, that (i) Plaintiffs asserted in the Complaint, or (ii) Plaintiffs or any other stockholder of PPC could have asserted derivatively on behalf of PPC, or that PPC could have asserted directly, in any court, tribunal, forum or proceeding, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, (A) that are based upon, arise out of, or involve the facts, matters or events alleged or set forth in the Complaint, including the actions, inactions, deliberations, discussions, decisions, votes, disclosures, non-disclosures, aiding and abetting, or any other conduct of any kind of the Released Defendants’ Persons alleged or set forth in the Complaint, or (B) that are based upon, arise out of, or involve the Moy Park Transaction; *provided, however*, that the Released Plaintiffs’ Claims shall not

include any claims to enforce this Stipulation or the Settlement. For the avoidance of doubt, the Released Plaintiffs' Claims include only claims belonging to PPC, or that could be asserted derivatively on behalf of PPC, and do not include (i) any claims that arise out of, are based upon, or relate to any conduct of the Released Defendants' Persons that occurs after the date of execution of this Stipulation; (ii) any direct claims of any stockholder of PPC, including any claims arising out of, based upon, or relating to the federal or state securities laws; or (iii) any claims, if any, that any party may have against any insurer with respect to obligations to fund the Cash Settlement Amount or any portion thereof.

(t) "Released Plaintiffs' Persons" means Plaintiffs and Plaintiffs' Counsel, and any and all of their respective past or present family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, insurers, reinsurers, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, controlling persons, affiliates, parents, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, principals, officers, managers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion,

underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates, as well as PPC as nominal defendant.

(u) “Releases” means the releases set forth in paragraphs 6-7 of this Stipulation.

(v) “Scheduling Order” means the order, substantially in the form attached hereto as Exhibit B, to be entered by the Court scheduling the Settlement Fairness Hearing (as defined herein) and directing that notice of the Settlement be provided to Company stockholders.

(w) “Settlement Fairness Hearing” means the hearing set by the Court to, among other things, consider final approval of the Settlement.

(x) “Unknown Claims” means any Released Plaintiffs’ Claims which any Plaintiff does not know or suspect to exist in his or its favor at the time of the release of such claims and any Released Defendants’ Claims which any Defendant or PPC does not know or suspect to exist in his or its favor at the time of the release of such claims, which, if known by him or it, might have affected his or its decision(s) with respect to this Settlement. With respect to any and all Released Plaintiffs’ Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, they shall expressly waive any and all provisions, rights, and benefits conferred by any law of any state or territory of

the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Parties acknowledge that the foregoing waiver was separately bargained for and a key element of the Settlement.

THE SETTLEMENT CONSIDERATION

2. In consideration for the full settlement, satisfaction, compromise, and release of all Released Plaintiffs' Claims against the Released Defendants' Persons and the dismissal with prejudice of the Action, Defendants and PPC have agreed to the following:

(a) **Monetary Consideration:** No later than ten (10) business days prior to the date of the Settlement Fairness Hearing, Defendants shall provide Plaintiffs' Counsel with satisfactory evidence that the Cash Settlement Amount has been deposited in the Account for prompt payment in the event the Settlement is approved by the Court. The Cash Settlement Fund, less any Fee and Expense Award, and/or less any reserve to account for any potential future awards to Plaintiffs' Counsel, and less any applicable federal, state, and/or local taxes on any interest earned by the Cash Settlement Amount while

on deposit in the Account, shall be transferred from the Account to PPC no later than five (5) business days following the Effective Date. Defendants agree that PPC will not directly or indirectly pay any portion of the Cash Settlement Amount or indemnify any Defendant for payment, if any, that such Defendant may be required to make toward the Cash Settlement Amount.

(b) **Governance**: Defendants and PPC shall put in place the Governance Provisions as set forth on Exhibit A.

3. Defendants' sole monetary obligation under the Settlement shall be to cause to be paid the Cash Settlement Amount, and Defendants shall not be liable for any other amounts, including any petition by Plaintiffs' Counsel for attorneys' fees and expenses. Notwithstanding anything herein to the contrary, no Individual Defendant is or will be making any payment in connection with the Settlement, and the Individual Defendants shall have no responsibility to fund, contribute to, or otherwise provide the Cash Settlement Amount and shall have no personal monetary obligations to any person in connection with the Settlement.

4. Defendants have denied, and continue to deny committing, threatening, or attempting to commit any violation of law or breach of any duty to Plaintiffs, stockholders of PPC, or any other Person. Defendants are entering into this Settlement solely because it will eliminate the uncertainty, distraction, burden, and expense of further litigation.

RELEASE OF CLAIMS

5. The obligations incurred pursuant to this Stipulation are in consideration of the full and final disposition of the Action as against Defendants and the Releases provided for herein.

6. Pursuant to the Judgment, without further action by anyone, upon the Effective Date of the Settlement, PPC, Plaintiffs and each and every stockholder of PPC, derivatively on behalf of PPC, and on behalf of themselves and their respective agents, spouses, heirs, executors, administrators, personal representatives, predecessors, successors, transferors, transferees, representatives, and assigns, in their capacities as such only, shall be deemed to have, and by operation of the Judgment approving this Settlement shall have, completely, fully, finally, and forever, compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice, and shall forever be enjoined from prosecuting, any and all Released Plaintiffs' Claims against the Released Defendants' Persons.

7. Pursuant to the Judgment, without further action by anyone, upon the Effective Date of the Settlement, Defendants, PPC, and the other Released Defendants' Persons, on behalf of themselves and their respective agents, spouses, heirs, executors, administrators, personal representatives, predecessors, successors, transferors, transferees, representatives, and assigns, in their capacities as such only, shall be deemed to have, and by operation of the Judgment approving this Settlement

shall have, completely, fully, finally, and forever, compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice, and shall forever be enjoined from prosecuting, any and all Released Defendants' Claims against the Released Plaintiffs' Persons.

8. Notwithstanding paragraphs 6-7 above, nothing in the Judgment shall bar any action by any of the Parties to enforce the terms of this Stipulation or the Judgment. Further, no direct claims of any PPC stockholder, including any claims arising out of, based upon, or relating to the federal or state securities laws, are being released by the Settlement.

SCHEDULING ORDER AND NOTICE

9. Promptly upon execution of this Stipulation, Plaintiffs and Defendants shall submit this Stipulation to the Court and shall jointly apply for entry of the Scheduling Order. The Parties agree jointly to seek the scheduling of the Settlement Fairness Hearing to take place no earlier than 60 days from provision of Notice to the stockholders of PPC.

10. In accordance with the terms of the Scheduling Order to be entered by the Court, no later than ten (10) calendar days following the date of entry of the Scheduling Order (the "Notice Date"), PPC shall take all necessary steps to cause the Notice, substantially in the form attached hereto as Exhibit C, to be mailed to all stockholders of record as of the close of business on the date the Scheduling Order

is entered by the Court as shown on the stock records maintained on behalf of PPC. All stockholders of record who are not also the beneficial owners of the shares of PPC's common stock held by them of record shall be requested to forward the Notice to such beneficial owners of those shares. Not later than the Notice Date, PPC shall post a copy of the Stipulation and the Notice on the "Investor Relations" section of PPC's website, www.pilgrims.com, and such documents shall remain posted to that website through the Effective Date of the Settlement.

11. PPC shall assume all administrative responsibility for and will pay any and all Notice Costs, regardless of whether the Court approves the Settlement or the Effective Date fails to occur. Plaintiffs, Plaintiffs' Counsel, Defendants, and Defendants' Counsel shall not be responsible for any Notice Costs nor shall any Notice Costs be paid from the Cash Settlement Fund.

TERMS OF THE JUDGMENT

12. If the Settlement contemplated by this Stipulation is approved by the Court, Plaintiffs' Counsel and Defendants' Counsel shall jointly request that the Court enter the Judgment, substantially in the form attached hereto as Exhibit D.

ATTORNEYS' FEES AND LITIGATION EXPENSES

13. Plaintiffs' Counsel intends to submit to the Court the Fee and Expense Application based upon the benefits provided to PPC and stockholders of PPC from the Settlement. The Fee and Expense Application shall be the only petition for

attorneys' fee and expenses to Plaintiffs' Counsel, or counsel purporting to represent any other stockholder of PPC in connection with the Action or the Settlement.

14. It is not a condition of this Stipulation, the Settlement, or the Judgment that the Court award any attorneys' fees or expenses to Plaintiffs' Counsel. Defendants and PPC reserve the right to oppose any part or all of the Fee and Expense Application. In the event that the Court does not award attorneys' fees or expenses, or in the event the Court makes an award in an amount that is less than the amount requested by Plaintiffs' Counsel or is otherwise unsatisfactory to Plaintiffs' Counsel, or in the event that any such award is vacated or reduced on appeal, this Stipulation and the Settlement, including the effectiveness of the Releases and other obligations of the Parties under the Settlement, nevertheless shall remain in full force and effect.

15. Defendants (or their successors-in-interest) shall cause the full amount of any Fee and Expense Award to be paid to Plaintiffs' Counsel from the Cash Settlement Amount held in the Account. The full amount of any Fee and Expense Award shall be paid to Plaintiffs' Counsel no later than five (5) business days after the date of entry by the Court of any order awarding such fees and expenses, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof. The payment of any Fee and Expense Award to Plaintiffs' Counsel shall be subject to the

obligation of Plaintiffs' Counsel to make appropriate refunds or repayments to PPC or the Account, as appropriate, if the Settlement is terminated or if, as a result of any appeal or further proceedings on remand or successful collateral attack, the Fee and Expense Award is reduced or reversed and such order reducing or reversing the Fee and Expense Award has become Final. Plaintiffs' Counsel shall make the appropriate refund or repayment in full no later than five (5) business days after (a) receiving from Defendants' Counsel notice of the termination of the Settlement; or (b) any Court order reducing or reversing the Fee and Expense Award has become Final.

16. Plaintiffs' Counsel shall allocate the attorneys' fees awarded amongst themselves in a manner which they, in good faith, believe reflects the contributions of such counsel to the institution, prosecution and settlement of the Action. The Released Defendants' Persons shall have no responsibility for, or liability whatsoever with respect to, the allocation or award of the Fee and Expense Award amongst Plaintiffs' Counsel. The Fee and Expense Award shall be payable solely from the Account.

CONDITIONS OF SETTLEMENT AND EFFECT OF TERMINATION

17. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) the Court has entered the Scheduling Order, substantially in the form set forth in Exhibit B attached hereto;

(b) Defendants have caused to be paid the Cash Settlement Amount into the Account;

(c) Plaintiffs have not exercised their option to terminate the Settlement pursuant to paragraph 19 below;

(d) Defendants have not exercised their option to terminate the Settlement pursuant to paragraph 19 below; and

(e) the Court has approved the Settlement as described herein, following notice to Company stockholders and a hearing, and entered the Judgment, substantially in the form set forth in Exhibit D attached hereto, and the Judgment has become Final.

18. Pending approval of the Settlement, the Parties agree to stay this Action and not to initiate any and all other proceedings other than those incident to the Settlement itself. The Parties will request the Court to order in the Scheduling Order that, pending approval of the Settlement, (i) Plaintiffs and all other PPC stockholders are barred and enjoined from commencing, prosecuting, instituting or in any way participating in the commencement or prosecution of any action asserting any Released Plaintiffs' Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Defendants' Persons; and (ii) PPC and

Defendants are barred and enjoined from commencing, prosecuting, instituting or in any way participating in the commencement or prosecution of any action asserting any Released Defendants' Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Plaintiffs' Persons. In the event that any of the Released Plaintiffs' Claims are commenced against any of the Released Defendants' Persons prior to Effective Date of the Settlement, Plaintiffs agree to cooperate and use reasonable best efforts to assist Defendants and PPC in securing the dismissal (or a stay in contemplation of dismissal following approval of the Settlement) of such claims.

19. Plaintiffs (provided they unanimously agree amongst themselves) and Defendants shall each have the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so ("Termination Notice") to the other Parties within thirty (30) calendar days of (a) the Court's refusal to enter the Scheduling Order in any material respect; (b) the Court's refusal to approve the Settlement or any material part thereof; (c) the Court's refusal to enter the Judgment in any material respect as to the Settlement; or (d) the date upon which an order vacating, modifying, revising or reversing the Judgment becomes Final, and the provisions of paragraph 20 below shall apply, whichever shall occur first. In addition to the grounds set forth above, in the event that Defendants fail to provide satisfactory evidence that the Cash Settlement Amount has been paid into the

Account as set forth in paragraph 2(a), Plaintiffs shall have the right to terminate the Settlement by providing written notice of their election to terminate to Defendants and PPC within three (3) days; *provided, however*, that Defendants shall be entitled to cure any alleged violation of paragraph 2(a) by providing satisfactory evidence of payment of the Cash Settlement Amount into the Account within two (2) business days, and such evidence shall be deemed to satisfy the requirement set forth in paragraph 17(b). However, any decision or proceeding, whether in this Court or any appellate court, solely with respect to a Fee and Expense Application shall not be considered material to the Settlement, shall not affect the finality of the Judgment, and shall not be grounds for termination of the Settlement.

20. If Plaintiffs or Defendants exercise their right to terminate the Settlement pursuant to paragraph 19 above, then (a) the Settlement and the relevant portions of this Stipulation shall be canceled; (b) the Parties shall each revert to their respective litigation positions in the Action as of immediately prior to the date of execution of the Term Sheet on September 5, 2019; (c) the terms and provisions of the Term Sheet and this Stipulation, with the exception of this paragraph 20 and paragraphs 11, 15, 21, and 41 hereof, shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, and the Parties shall proceed in all respects as if the Term Sheet and this Stipulation had not been entered; and (d) the Judgment and any other order

entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

NO ADMISSION OF WRONGDOING

21. Neither the Term Sheet, this Stipulation, or the negotiations leading to the execution of the Term Sheet or this Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, this Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Released Defendants' Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Defendants' Persons with respect to any fact alleged by Plaintiffs in the Complaint or during the Action or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Defendants' Persons or in any way referred to for any other reason as against any of the Released Defendants' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement; or

(b) shall be offered against any of the Released Plaintiffs' Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Released Plaintiffs' Persons that any of their claims are without merit, that any of the Released Defendants' Persons had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement consideration or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released Plaintiffs' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement.

MISCELLANEOUS PROVISIONS

22. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

23. The Parties intend this Stipulation and the Settlement to be a full, final, and complete resolution of the Released Plaintiffs' Claims. Accordingly, the Parties and their counsel agree not to assert in any forum that this Action was brought by Plaintiffs or defended by Defendants in bad faith or without a reasonable basis. The Parties agree that the Settlement consideration and the other terms of the Settlement

were negotiated at arm's-length and in good faith by the Parties and were reached voluntarily after extensive negotiations and consultation with legal counsel who had extensive experience and expertise in stockholder litigation and were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

24. Defendants and Defendants' Counsel shall retain their right to deny that that Defendants committed, or aided and abetted in the commission of, any violation of law or duty or engaged in any wrongful acts whatsoever, but neither Defendants nor Defendants' Counsel will, in any statement made to any media representative (whether or not for attribution), assert that the Action was commenced or prosecuted in bad faith nor will they deny that the Action was commenced and prosecuted in good faith and is being settled voluntarily after consultation with competent legal counsel. Likewise, Plaintiffs and Plaintiffs' Counsel shall retain their right to maintain that their claims have merit, but neither Plaintiffs and Plaintiffs' Counsel will, in any statement made to any media representative (whether or not for attribution), assert that the Action was defended in bad faith nor will they deny that the Action was defended in good faith and is being settled voluntarily after consultation with competent legal counsel. In all events, Plaintiffs and Plaintiffs' Counsel and Defendants and Defendants' Counsel shall not make any accusations of wrongful or actionable conduct by any Party concerning the prosecution, defense,

and resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.

25. Following final approval of the Settlement, no Party shall be permitted to, directly or indirectly, make, publish, or issue any statement, written or otherwise, whether on or off the record, including orally, in print, television, radio, or the Internet, that does or could be deemed to criticize, denigrate, disparage, damage, or injure in any way the name, reputation, goodwill, practices or business of any other Party, or encourage any other person to do any of the foregoing. Nothing in this paragraph shall be interpreted to limit PPC's Counsel, Plaintiffs' Counsel, or Defendants' Counsel's ability to make a complete and candid presentation to the Court in their papers and arguments in support of final approval, nor shall anything in this paragraph be interpreted to limit the right to practice of PPC's Counsel, Plaintiffs' Counsel, or Defendants' Counsel as set out in Delaware Rule of Professional Conduct 5.6 and the parallel rules of other states.

26. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of each of the Parties (or their successors-in-interest).

27. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

28. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and litigation expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation.

29. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

30. This Stipulation constitutes the entire agreement among the Parties concerning the Settlement. All Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation other than those contained and memorialized in such documents.

31. This Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tiff image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

32. This Stipulation will be executed by counsel for each of the Parties, each of whom represent and warrant that they have the authority from their client(s) to enter into this Stipulation and bind their clients hereto.

33. This Stipulation, which has been duly executed by the undersigned signatories on behalf of their respective clients, reflects the final and binding agreement between and among the Parties and supersedes all other prior agreements, whether written or oral, including the Term Sheet.

34. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Parties, including any and all Released Persons and any corporation, partnership, or other entity into or with which any Party hereto may merge, consolidate or reorganize.

35. The construction, interpretation, operation, effect, and validity of this Stipulation and all documents necessary to effectuate it shall be governed by the laws of the State of Delaware without regard to the laws that might otherwise govern under applicable conflicts of laws principles.

36. This Court, or, if this Court shall be unavailable, any other court in the State of Delaware, shall be the exclusive forum for the adjudication of any disputes arising under this Stipulation. Solely with respect to the adjudication of any disputes arising under this Stipulation, each Party accepts and consents to the jurisdiction of the identified courts and waives any objection to venue in such courts.

37. Each person executing this Stipulation warrants and represents that he or she has the full authority to do so and that he or she has the full authority to take

appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

38. Plaintiffs' Counsel, Defendants' Counsel, and PPC's Counsel agree to cooperate fully with one another in seeking Court approval of the Settlement, as embodied in this Stipulation.

39. Any Party may give notice or service to another Party under this Stipulation. Such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery, facsimile, or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to Plaintiffs or Plaintiffs' Counsel: Bernstein Litowitz Berger & Grossmann LLP
Attn: Mark Lebovitch, Esquire
1251 Avenue of the Americas
New York, NY 10020
Telephone: (212) 554-1400
Fax: (212) 554-1444
Email: markl@blbglaw.com

Block & Leviton LLP
Attn: Jason M. Leviton, Esquire
260 Franklin Street, Suite 1860
Boston, MA 02110
Telephone: (617) 398-5600
Fax: (617) 507-6020
Email: jason@blockesq.com

Heyman Enerio Gattuso & Hirzel LLP
Attn: Kurt M. Heyman, Esquire
300 Delaware Avenue, Suite 200
Wilmington, DE 19801
Telephone: (302) 472-7300
Fax: (302) 472-7320
Email: kheyman@hegh.law

If to Defendants:

Quinn Emanuel Urquhart & Sullivan, LLP
Attn: Adam Abensohn, Esquire
51 Madison Avenue, 22nd Floor
New York, NY 10010
Telephone: (212) 849-7000
Fax: (212) 849-7100
Email: adamabensohn@quinnemanuel.com

Abrams & Bayliss LLP
Attn: Michael A. Barlow, Esquire
20 Montchanin Road, Suite 200
Wilmington, DE 19807
Telephone: (302) 778-1000
Fax: (302) 397-2952
Email: barlow@abramsbayliss.com

If to PPC:

Potter Anderson & Corroon LLP
Attn: Kevin R. Shannon, Esq.
Hercules Plaza
1313 North Market Street, 6th Floor
Wilmington, DE 19801
Telephone: (302) 984-6000
Fax: (302) 658-1192
Email: kshannon@potteranderson.com

40. Except as otherwise provided herein, each Party shall bear its own costs.

41. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the Parties and


their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings in connection with the Stipulation confidential.

42. The Parties agree to continue to preserve the confidentiality of documents pursuant to the Stipulation and Order for the Production and Exchange of Confidential and Highly Confidential Information entered in the Action.

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of October 3, 2019.

OF COUNSEL:


**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**


Mark Lebovitch
Edward G. Timlin
Andrew E. Blumberg
1251 Avenue of the Americas
New York, NY 10020
(212) 554-1400

BLOCK & LEVITON LLP


Jason M. Leviton
Joel A. Fleming
Amanda Crawford
260 Franklin Street, Suite 1860
Boston, MA 02110
(617) 398-5600


**HEYMAN ENERIO GATTUSO
& HIRZEL LLP**


Kurt M. Heyman (# 3054)
Melissa N. Donimirski (# 4701)
Aaron M. Nelson (# 5941)
300 Delaware Avenue, Suite 200
Wilmington, DE 19801
(302) 472-7300


*Attorneys for Plaintiffs Matthew
Sciabacucchi and Employees
Retirement System of the City of St.
Louis*

OF COUNSEL:

**QUINN EMANUEL URQUHART &
SULLIVAN, LLP**



Michael Carlinsky
Adam Abensohn
51 Madison Avenue, 22nd Floor
New York, New York 10010
(212) 849-7000

ABRAMS & BAYLISS LLP


Kevin G. Abrams (#2375)
Michael A. Barlow (#3928)
20 Montchanin Road, Suite 200
Wilmington, Delaware 19807
(302) 778-1000

*Attorneys for Defendants JBS S.A.,
JBS USA Holding Lux S.à r.l.,
William Lovette, Andre Nogueira De
Souza, Gilberto Tomazoni and
Denilson Molina*

**POTTER ANDERSON &
CORROON LLP**


Kevin E. Shannon (# 3137)
Christopher N. Kelly (# 5717)
Jaclyn C. Levy (# 5631)
1313 North Market Street
Hercules Plaza, 6th Floor
Wilmington, DE 19801
(302) 984-6000

*Attorneys for Nominal Defendant
Pilgrim's Pride Corporation*

EXHIBIT A

Dividend Forbearance and Approval

JBS S.A. (“JBS”) agrees that if Pilgrim’s Pride Corporation (“PPC”) declares any dividends during the twelve months following the Effective Date, JBS Entities (as defined below) will forgo receipt of their *pro rata* interest in such dividends until stockholders of PPC other than JBS Entities shall receive declared dividends in an amount equal to their *pro rata* interest, as of the Effective Date, in \$42.5 million. To the extent PPC issues dividends during that time period in excess of that amount, JBS Entities may participate in the excess on a *pro rata* basis. Further, JBS agrees that for the twelve months following the Effective Date, any dividend to be paid by PPC must be approved by a resolution of at least a majority of the Equity Directors (as that term is defined in PPC’s Amended and Restated Certificate of Incorporation).

For purposes of this Dividend Forbearance and Approval, “JBS Entities” means JBS and any of its affiliates that hold an equity interest in PPC.

Enhanced Advisor Independence

Following final approval of the Settlement, the board of directors of Pilgrim’s Pride Corporation will adopt within its Governance Policies the following provision to be included as Section 7:

7. INDEPENDENT ADVISORS

(a) Related Party Transactions: for any transaction between the company, on the one hand, and JBS Entities or any member of the Batista Family, on the other, that involves assets reasonably valued in excess of \$100 million and for which the Equity Directors have decided to retain financial and/or legal advisors, the Equity Directors shall retain financial and/or legal advisors that have not represented or earned any fee from the company (other than from a committee of the board comprised solely of Equity Directors), JBS Entities, the Batista Family, or the respective affiliates of the foregoing, in the last three years.

(b) Expiration: This Section 7 shall remain in effect until [●]¹ and shall cease to be in effect after such date. However, this Section 7 shall terminate if the company ceases to be a publicly-traded company or a reporting company subject to Section 13 or Section 15(d) of the Exchange Act.

(c) For purposes of this Section 7, the following definitions apply:

(i) “Batista Family” means any of José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, Vivianne Mendonça Batista Silveira, or their respective affiliates.

¹ To include date that is three years from the Effective Date.

(ii) “Equity Directors” has the meaning assigned to it in the company’s Amended and Restated Certificate of Incorporation.

(iii) “JBS Entities” means JBS S.A. and any of its affiliates that hold an equity interest in the company.

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE PILGRIM'S PRIDE CORPORATION :
DERIVATIVE LITIGATION : Consol. C.A. No. 2018-0058-JTL
:

SCHEDULING ORDER

WHEREAS, a consolidated stockholder derivative action is pending in this Court captioned *In re Pilgrim's Pride Corporation Derivative Litigation*, Consol. C.A. No. 2018-0058-JTL (the "Action");

WHEREAS, (a) plaintiffs Matthew Sciabacucchi ("Sciabacucchi") and Employees' Retirement System of the City of St. Louis ("St. Louis," and, together with Sciabacucchi, "Plaintiffs"); (b) defendants JBS S.A. ("JBS") and JBS USA Holdings Lux S.á r.l. ("JBS Lux"); (c) defendants William Lovette, Andre Nogueira de Souza, Gilberto Tomazoni, and Denilson Molina (collectively, the "Individual Defendants," and, together with JBS and JBS Lux, "Defendants"); and (d) nominal defendant Pilgrim's Pride Corporation ("PPC" and, together with Plaintiffs and Defendants, the "Parties") have entered into the Stipulation and Agreement of Settlement, Compromise, and Release dated October 3, 2019 (the "Stipulation"), which provides for the full settlement, satisfaction, compromise, and release of all Released Plaintiffs' Claims against the Released Defendants' Persons and dismissal with prejudice of the Action; and

WHEREAS, in accordance with the Stipulation, the Parties have made an application, pursuant to Court of Chancery Rule 23.1, for entry of a scheduling order in accordance with the Stipulation, approving the form and content of the notice of the Settlement to PPC stockholders, and scheduling the date and time for the Settlement Fairness Hearing.

WHEREAS, the Court having read and considered the Stipulation and the exhibits attached thereto; the Stipulation being sufficient to warrant notice to PPC stockholders; and all Parties having consented to the entry of this Order.

NOW THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____, 2019, as follows:

1. **Definitions:** Unless otherwise defined herein, the capitalized terms used herein shall have the same meanings as they have in the Stipulation.

2. **Settlement Fairness Hearing:** The Court will hold a settlement fairness hearing (the “Settlement Fairness Hearing”) on _____, 2019, at ____:____.m., at the Court of Chancery of the State of Delaware, _____, for the following purposes:

- (a) to determine whether Plaintiffs and Plaintiffs’ Counsel have adequately represented the interests of PPC and its stockholders;
- (b) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and

adequate to PPC and its stockholders, and should be approved by the Court;

- (c) to determine whether a Final Order and Judgment, substantially in the form attached as Exhibit D to the Stipulation, should be entered dismissing the Action with prejudice against Defendants;
- (d) to consider the application by Plaintiffs' Counsel for an award of attorneys' fees and litigation expenses;
- (e) to consider any objections to the Settlement or the application by Plaintiffs' Counsel for an award of attorneys' fees and litigation expenses; and
- (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

3. The Court reserves the right to adjourn the Settlement Fairness Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Fairness Hearing or any adjournment thereof. The Court further reserves the right to approve the Stipulation and the Settlement, at or after the Settlement Fairness Hearing, with such modifications as may be consented to by the Parties and without further notice to PPC stockholders. The Court may,

for good cause, extend any of the deadlines set forth in this Order without further notice to PPC stockholders.

4. **Manner of Giving Notice:** Notice of the Settlement and the Settlement Fairness Hearing shall be given by PPC as follows:

- (a) no later than ten (10) calendar days following the date of entry of this Order (the “Notice Date”), PPC shall cause a copy of the Notice, substantially in the form attached as Exhibit C to the Stipulation, to be mailed by first-class mail to current PPC stockholders as of the close of business on the date of entry of this Order (“Current PPC Stockholders”) at their last known addresses as shown on the stock records maintained on behalf of PPC;
- (b) no later than the Notice Date, PPC shall post a copy of the Notice and the Stipulation on the “Investor Relations” section of its website, www.pilgrims.com, and such documents shall remain posted to that website through the Effective Date of the Settlement; and
- (c) not later than twenty-seven (27) calendar days prior to the Settlement Fairness Hearing, PPC’s Counsel shall serve on Plaintiffs’ Counsel and file with the Court proof, by affidavit, of compliance with paragraphs 4(a) and (b) above.

5. **Approval of Form and Content of Notice:** The Court (a) approves, as to form and content, the Notice, attached to the Stipulation as Exhibit C, and (b) finds that the mailing and publication of the Notice in the manner and form set forth in paragraph 4 of this Order: (i) constitutes notice that is reasonably calculated, under the circumstances, to apprise PPC stockholders of the pendency of the Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Plaintiffs' Counsel's application for an award of attorneys' fees and expenses, of their right to object to the Settlement and/or Plaintiffs' Counsel's application for attorneys' fees and expenses, and of their right to appear at the Settlement Fairness Hearing; (ii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iii) satisfies the requirements of Court of Chancery Rule 23.1, the United States Constitution (including the Due Process Clause), and all other applicable law and rules. The date and time of the Settlement Fairness Hearing shall be included in the Notice before it is mailed and posted.

6. **Nominees Procedures:** All Current PPC Stockholders of record who are not also the beneficial owners of the shares of PPC common stock held by them of record shall be requested to forward the Notice to such beneficial owners of those shares. If additional copies of the Notice are required to forward to such beneficial owners, record holders may (a) request from PPC sufficient copies of the Notice to

forward to all such beneficial owners; or (b) provide a list of the names and addresses of all such beneficial owners to PPC, and PPC will send a copy of the Notice to the beneficial owners.

7. **Appearance and Objections at Settlement Fairness Hearing:** Any Current PPC Stockholder who or which continues to hold shares as of the date of the Settlement Fairness Hearing may enter an appearance in the Action, at his, her, or its own expense, individually or through counsel of his, her, or its own choice, by filing with the Register in Chancery and delivering a notice of appearance to Plaintiffs' Counsel, Defendants' Counsel and PPC's Counsel at the addresses set forth in paragraph 8 below, such that it is received no later than fourteen (14) calendar days prior to the Settlement Fairness Hearing, or as the Court may otherwise direct. Any Current PPC Stockholder who or which does not enter an appearance will be represented by Plaintiffs' Counsel and shall be deemed to have waived and forfeited any and all rights he, she, or it may otherwise have to appear separately at the Settlement Fairness Hearing.

8. Any Current PPC Stockholder who or which continues to hold shares of PPC common stock as of the date of the Settlement Fairness Hearing may file a written objection to the proposed Settlement and/or Plaintiffs' Counsel's application for an award of attorneys' fees and litigation expenses with the Register in Chancery in accordance with the requirements set forth in Paragraph 9, and may appear and

show cause, if he, she, or it has any cause, why the proposed Settlement and/or the application for attorneys' fees and expenses should not be approved; *provided, however*, that, unless otherwise directed by the Court for good cause shown, no such person or entity shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement and/or the application for attorneys' fees and expenses unless that person or entity has filed a written objection with the Register in Chancery and served (by hand, first class mail, or express service) copies of such objection on Plaintiffs' Counsel, Defendants' Counsel, and PPC's Counsel at the addresses set forth below, such that they are received no later than fourteen (14) calendar days prior to the Settlement Fairness Hearing.

Counsel for Plaintiffs:

Mark Lebovitch
Bernstein Litowitz Berger
& Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020

Jason M. Leviton
Block & Leviton LLP
260 Franklin Street, Suite 1860
Boston, MA 02110

Kurt M. Heyman
Heyman Enerio Gattuso
& Hirzel LLP
300 Delaware Avenue, Suite 200
Wilmington, DE 19801

Counsel for Defendants:

Adam Abensohn
Quinn Emanuel Urquhart
& Sullivan, LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010

Michael A. Barlow
Abrams & Bayliss LLP
20 Montchanin Road, Suite 200
Wilmington, DE 19807

Counsel for PPC:

Kevin R. Shannon
Potter Anderson & Corroon LLP
Hercules Plaza
1313 North Market Street, 6th Floor
Wilmington, DE 19801

9. Any objections, filings, and other submissions must: (a) state the name, address, and telephone number of the objector and, if represented by counsel, the name, address, and telephone number of his, her, or its counsel; (b) be signed by the objector; (c) state that the objection is being filed with respect to “*In re Pilgrim’s Pride Corporation Derivative Litigation*, Consol. C.A. No. 2018-0058-JTL”; (d) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the objector wishes to bring to the Court’s attention, and if the objector has indicated that he, she, or it intends to appear at the Settlement Fairness Hearing, the identity of any witnesses the objector may call to testify and any exhibits the objector intends to introduce into evidence at the hearing; and (e) include documentation sufficient to prove that the objector owned shares of PPC common stock as of the close of trading on the date of entry of this Order and contain a statement that the objector continues to hold shares of PPC common stock as of the date of filing of the objection and will continue to hold shares of PPC common stock as of the date of the Settlement Fairness Hearing.

10. Unless the Court orders otherwise, any person or entity who or which does not make his, her, or its objection in the manner provided herein shall: (a) be deemed to have waived and forfeited his, her, or its right to object to any aspect of the proposed Settlement or Plaintiffs’ Counsel’s application for an award of

attorneys' fees and litigation expenses; (b) be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement, the Judgment to be entered approving the Settlement, or the attorneys' fees and expenses requested or awarded; and (c) be deemed to have waived and forever barred and foreclosed from being heard, in this or any other proceeding, with respect to any matters concerning the Settlement or the requested or awarded attorneys' fees and expenses.

11. **Stay and Temporary Injunction:** Until otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court (a) bars and enjoins Plaintiffs and all other PPC stockholders from commencing, prosecuting, instituting or in any way participating in the commencement or prosecution of any action asserting any Released Plaintiffs' Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Defendants' Persons; and (b) bars and enjoins PPC and Defendants from commencing, prosecuting, instituting or in any way participating in the commencement or prosecution of any action asserting any Released Defendants' Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Plaintiffs' Persons.

12. **Notice Costs:** All Notice Costs shall be paid by PPC or its successor(s)-in-interest, regardless of whether the Court finally approves the Settlement, and in no event shall Plaintiffs, Defendants, or their attorneys be responsible for any Notice Costs.

13. **Use of this Order:** Neither the Term Sheet, the Stipulation, including the exhibits thereto, or the negotiations leading to the execution of the Term Sheet or the Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Released Defendants' Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Defendants' Persons with respect to any fact alleged by Plaintiffs in the Complaint or during the Action or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Defendants' Persons or in any way referred to for any other reason as against any of the Released Defendants' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement; or (b) shall be offered against any of the Released Plaintiffs' Persons as evidence of, or construed as, or

deemed to be evidence of any presumption, concession or admission by any of the Released Plaintiffs' Persons that any of their claims are without merit, that any of the Released Defendants' Persons had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement consideration or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released Plaintiffs' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement. This provision shall remain in force in the event that the Settlement is terminated for any reason whatsoever.

14. **Termination of Settlement:** If the Settlement is terminated as provided in the Stipulation, this Order shall be vacated, rendered null and void, and be of no further force and effect (except as otherwise provided by the Stipulation), and this Order shall be without prejudice to the rights of Plaintiffs, Defendants, PPC, and its stockholders, and the Parties shall each revert to their respective litigation positions in the Action as of immediately prior to the execution of the Term Sheet on September 5, 2019, as provided in the Stipulation.

15. **Supporting Papers:** Plaintiffs' Counsel shall file their opening papers in support of the proposed Settlement and the application for an award of attorneys' fees and litigation expenses no later than twenty-seven (27) calendar days prior to

the Settlement Fairness Hearing; any objections thereto shall be filed no later than fourteen (14) calendar days prior to the Settlement Fairness Hearing; and reply papers, if any, shall be filed no later than five (5) calendar days prior to the Settlement Fairness Hearing.

16. **Final Approval:** If the Settlement is approved by the Court following the Settlement Fairness Hearing, the Parties will request that the Court enter the Judgment, substantially in the form attached as Exhibit D to the Stipulation.

17. **Retention of Jurisdiction:** The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

Vice Chancellor J. Travis Laster

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE PILGRIM'S PRIDE CORPORATION :
DERIVATIVE LITIGATION : Consol. C.A. No. 2018-0058-JTL
:

**NOTICE OF PENDENCY OF DERIVATIVE ACTION,
PROPOSED SETTLEMENT OF DERIVATIVE ACTION,
SETTLEMENT HEARING, AND RIGHT TO APPEAR**

**The Court of Chancery of the State of Delaware authorized this Notice. This is
not a solicitation from a lawyer.**

TO: ALL PERSONS OR ENTITIES WHO OR WHICH HELD SHARES OF
PILGRIM'S PRIDE CORPORATION ("PPC") COMMON STOCK AS OF THE
CLOSE OF BUSINESS ON [DATE OF ENTRY OF SCHEDULING ORDER]
("CURRENT PPC STOCKHOLDERS").

The purpose of this Notice is to inform you of: (i) the pendency of the above-captioned stockholder derivative action (the "Action"), which was brought by plaintiffs Matthew Sciabacucchi ("Sciabacucchi") and Employees' Retirement System of the City of St. Louis ("St. Louis," and, together with Sciabacucchi, "Plaintiffs"), on behalf of and for the benefit of PPC, in the Court of Chancery of the State of Delaware (the "Court"); (ii) a proposed settlement of the Action (the "Settlement"), subject to Court approval, as provided in the Stipulation and Agreement of Settlement dated as of October 3, 2019 (the "Stipulation"); (iii) the hearing that the Court will hold on _____, 2019 at ____m to determine whether to approve the proposed Settlement and to consider the application by Plaintiffs' Counsel¹ for an award of attorneys' fees and litigation expenses; and

¹ Plaintiffs' Counsel consist of the law firms of Bernstein Litowitz Berger & Grossmann LLP, Block & Leviton LLP, and Heyman Enerio Gattuso & Hirzel LLP. Defendants' Counsel consist of the law firms of Quinn Emanuel Urquhart & Sullivan, LLP and Abrams & Bayliss LLP.

(iv) Current PPC Stockholders' rights with respect to the proposed Settlement and Plaintiffs' Counsel's application for attorneys' fees and expenses.²

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED
SETTLEMENT OF THIS ACTION.**

The Stipulation was entered into as of October 3, 2019, between and among (i) Plaintiffs; (ii) defendants JBS S.A. ("JBS") and JBS USA Holdings Lux S.á r.l. ("JBS Lux"); (iii) defendants William Lovette, Andre Nogueira de Souza, Gilberto Tomazoni, and Denilson Molina (collectively, the "Individual Defendants," and, together with JBS and JBS Lux, "Defendants"); and (iv) nominal defendant PPC (together with Plaintiffs and Defendants, the "Parties"), subject to the approval of the Court pursuant to Delaware Chancery Court Rule 23.1.

As described in paragraph 34 below, the Settlement provides for: (i) a cash payment of \$42.5 million, which, after deducting any fee and expense award to Plaintiffs' Counsel and any applicable taxes, will be paid to PPC; and (ii) corporate governance changes to be implemented by PPC.

If you are a nominee who held PPC common stock for the benefit of another, please read the section below entitled "NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS."

Because the Action was brought as a derivative action, which means that it was brought on behalf of and for the benefit of PPC, the benefits from the Settlement will go to Pilgrim's Pride Corporation. Individual PPC stockholders will not receive any direct payment from the Settlement.

PLEASE NOTE: THERE IS NO PROOF OF CLAIM FORM FOR STOCKHOLDERS TO SUBMIT IN CONNECTION WITH THIS SETTLEMENT, AND STOCKHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE.

² All capitalized terms not otherwise defined in this Notice shall have the meaning provided in the Stipulation, which is available in the "Investor Relations" section of PPC's website, www.pilgrims.com.

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to explain the Action, the terms of the proposed Settlement, and how the proposed Settlement affects PPC stockholders' legal rights.

2. In a derivative action, one or more persons or entities who are current stockholders of a corporation sue on behalf of and for the benefit of the corporation, seeking to enforce the corporation's legal rights. In this case, Plaintiffs have filed suit against Defendants on behalf of and for the benefit of PPC.

3. The Court has scheduled a hearing to consider the fairness, reasonableness, and adequacy of the Settlement and the application by Plaintiffs' Counsel for an award of attorneys' fees and expenses (the "Settlement Fairness Hearing"). See paragraphs 43-44 below for details about the Settlement Fairness Hearing, including the location, date, and time of the hearing.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING DESCRIPTION OF THE ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

4. On June 30, 2017, the board of directors of PPC formed a special committee consisting of Charles Macaluso, David Bell, and Michael Cooper (together with Macaluso and Bell, the "Special Committee Defendants") to consider a potential transaction involving Moy Park Ltd. ("Moy Park"), a U.K.-based poultry and prepared foods supplier.

5. On September 8, 2017, pursuant to a Share Purchase Agreement, dated September 8, 2017 (the "Share Purchase Agreement"), by and among JBS, Granite Holdings S.à r.l. ("Granite"), a société à responsabilité limitée organized under the laws of the Grand Duchy of Luxembourg, Onix Investments UK Limited ("Onix"), a private limited company incorporated under the laws of England and Wales, and PPC (solely for purposes of Article VII of the Share Purchase Agreement), PPC,

through its wholly-owned indirect subsidiary, Onix, acquired all of the outstanding shares of Granite, which directly held all outstanding shares of Moy Park, from JBS for £1 billion (or approximately \$1.31 billion at then-current exchange rates) (the “Moy Park Transaction”).

6. On the date of the Moy Park Transaction, JBS, through indirect wholly-owned subsidiaries, beneficially owned a majority of the outstanding common stock of PPC.

7. On September 11, 2017, PPC issued a press release announcing the Moy Park Transaction.

8. On October 17, 2017, Sciabacucchi served a demand pursuant to 8 Del. C. § 220 (the “Sciabacucchi 220 Demand”) to inspect PPC’s books and records relating to the Moy Park Transaction.

9. On November 29, 2017, counsel for Sciabacucchi and counsel for PPC executed a Confidentiality Agreement to facilitate the production of documents in response to the Sciabacucchi 220 Demand.

10. On December 22, 2017, PPC produced certain books and records in response to the Sciabacucchi 220 Demand.

11. On January 24, 2018, Sciabacucchi filed his Verified Derivative Complaint (the “Sciabacucchi Complaint”), purporting to bring claims derivatively on behalf of nominal defendant PPC, against JBS, JBS Lux, José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, Vivianne Mendonça Batista Silveira, William Lovette, David Bell, Michael Cooper, Charles Macaluso, Andre Nogueira De Souza, Gilberto Tomazoni, Tarek Farahat, Denilson Molina, and Wallim Cruz De Vasconcellos, Jr. (the “Sciabacucchi Action”).

12. On March 15, 2018, Sciabacucchi voluntarily dismissed, without prejudice, defendants José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, and Vivianne Mendonça Batista Silveira (collectively, the “Batista Defendants”).

13. On March 19, 2018, Plaintiff St. Louis served a demand pursuant to 8 Del. C. § 220 (the “St. Louis 220 Demand” and, together with the Sciabacucchi 220 Demand, the “Demands”) to inspect PPC’s books and records relating to the Moy Park Transaction.

14. On March 20, 2018, JBS, JBS Lux, the Individual Defendants, Tarek Farahat, and Wallim Cruz De Vasconcellos, Jr. filed their Motion to Dismiss the Sciabacucchi Complaint.

15. On March 20, 2018, the Special Committee Defendants filed a Motion to Dismiss the Sciabacucchi Complaint.

16. On April 11, 2018, counsel for St. Louis and counsel for PPC executed a Confidentiality Agreement to facilitate the production of documents in response to the St. Louis 220 Demand.

17. On April 12, 2018, PPC produced certain books and records in response to the St. Louis 220 Demand.

18. On May 24, 2018, St. Louis filed its Verified Derivative Complaint, purporting to bring claims derivatively on behalf of nominal defendant PPC, against JBS, JBS Lux, José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, Vivianne Mendonça Batista Silveira, William Lovette, David Bell, Michael Cooper, Charles Macaluso, Andre Nogueira De Souza, Gilberto Tomazoni, Tarek Farahat, Denilson Molina, and Wallim Cruz De Vasconcellos, Jr. (the “St. Louis Action”).

19. On June 6, 2018, St. Louis voluntarily dismissed, without prejudice, the Batista Defendants.

20. On July 2, 2018, the Court consolidated the Sciabacucchi Action and the St. Louis Action and designated the Sciabacucchi Complaint as the operative complaint (the “Complaint”).

21. The Complaint alleged, among other things, that PPC’s directors breached their fiduciary duties in connection with the Moy Park Transaction and that JBS and JBS Lux, as PPC’s controlling stockholders, breached their fiduciary duties by entering into the Moy Park Transaction.

22. On July 3, 2018, Plaintiffs voluntarily dismissed, without prejudice, the Special Committee Defendants.

23. On July 9, 2018, Plaintiffs voluntarily dismissed, without prejudice, Wallim Cruz de Vasconcellos, Jr.

24. On March 15, 2019, following briefing and oral argument, the Court issued a Memorandum Opinion denying the motion to dismiss filed by defendants JBS, JBS Lux, William Lovette, Andre Nogueira De Souza, Gilberto Tomazoni, Tarek Farahat, and Denilson Molina.

25. Following the Court's decision on the motion to dismiss, the Parties engaged in extensive discovery. Plaintiffs served document demands on the Defendants and PPC and subpoenas on numerous non-parties. In total, Plaintiffs received and reviewed nearly 4,000 documents, totaling more than 42,000 pages, including documents relating to the sale process, competing bids for Moy Park, PPC's projections for Moy Park, PPC's estimated synergies, Moy Park's post-closing performance, and Moy Park's post-closing achievement of PPC's estimated synergies.

26. On April 3, 2019, Plaintiffs served their First Request for Production of Discovery Materials Directed to JBS and to the Individual Defendants, and Plaintiffs served their First Request for Production of Discovery Materials Directed to Nominal Defendant Pilgrim's Pride Corporation.

27. On April 5, 2019, Plaintiffs served their First Request for Production of Discovery Materials Directed to the Special Committee Defendants.

28. On April 24, 2019, Plaintiffs voluntarily dismissed, without prejudice, defendant Tarek Farahat.

29. On July 1, 2019, Plaintiffs' Counsel and Defendants' Counsel participated in a full day mediation session before retired United States District Court Judge Layn R. Phillips (the "Mediator"). In advance of that session, Plaintiffs and Defendants provided the Mediator with detailed mediation statements and exhibits that addressed the issues of liability and damages in the Action. The session ended without any agreement being reached. Thereafter, the Parties continued to engage in arm's-length negotiations under the supervision and guidance of the Mediator.

30. On September 5, 2019, after extensive, arm's-length negotiations, Plaintiffs and Defendants, who were all represented by counsel with extensive experience and expertise in stockholder litigation, reached an agreement on the principal terms of the Stipulation providing for the settlement of Plaintiffs' claims against Defendants in the Action, subject to Confirmatory Discovery (as defined below), and memorialized their agreement by executing a mediation term sheet (the

“Term Sheet”). The Settlement set forth herein reflects the results of the Parties’ negotiations.

31. In connection with the confirmatory due diligence discovery conducted by Plaintiffs, Defendants and PPC provided additional documents related to Moy Park’s post-closing performance, including PPC’s progress on implementing identified synergies, and Plaintiffs’ Counsel deposed PPC’s Chief Financial Officer, Fabio Sandri, and JBS’s internal counsel, Daniel Pitta. Additionally, in connection with the confirmatory due diligence discovery conducted by Defendants (together with the confirmatory due diligence discovery conducted by Plaintiffs, “Confirmatory Discovery”), Plaintiffs have provided Defendants with proof that they currently own PPC stock and have continuously owned PPC stock since June 2017.

32. In connection with settlement discussions and negotiations leading to the proposed Settlement set forth in the Stipulation, counsel for the Parties did not discuss the appropriateness or amount of any application by Plaintiffs’ Counsel for an award of attorneys’ fees and expenses until the substantive terms of the Settlement were negotiated at arm’s length and agreed upon.

33. On _____, 2019, the Court entered the Scheduling Order in connection with the Settlement which, among other things, authorized this Notice to be provided to Current PPC Stockholders and scheduled the Settlement Fairness Hearing to consider whether to grant final approval of the Settlement.

WHAT ARE THE TERMS OF THE SETTLEMENT?

34. In consideration of the full settlement, satisfaction, compromise, and release of the Released Plaintiffs’ Claims (defined in paragraph 37 below) against the Released Defendants’ Persons (defined in paragraph 37 below) and the dismissal with prejudice of the Action, Plaintiffs, Defendants and PPC have agreed to the following:

(i) **Monetary Consideration:** No later than ten (10) business days prior to the date of the Settlement Fairness Hearing, Defendants will provide Plaintiffs’ Counsel with satisfactory evidence that the amount of \$42,500,000 (the “Cash Settlement Amount”) has been deposited in a segregated, U.S.-based interest-bearing account designated for the deposit of the Cash Settlement Amount (the “Account”) for prompt payment in the event the Settlement is approved by the Court. The Cash Settlement Amount plus any

interest earned thereon (the “Cash Settlement Fund”), less any Court-awarded attorneys’ fees or litigation expenses paid to Plaintiffs’ Counsel, and/or less any reserve to account for any potential future awards to Plaintiffs’ Counsel, and less any applicable federal, state, and/or local taxes on any interest earned by the Cash Settlement Amount while on deposit in the Account, will be transferred from the Account to PPC no later than five (5) business days following the Effective Date (defined in paragraph 38 below). Defendants agree that PPC will not directly or indirectly pay any portion of the Cash Settlement Amount or indemnify any Defendant for payment, if any, that such Defendant may be required to make toward the Cash Settlement Amount.

(ii) **Governance:** Defendants and PPC further agree to the following governance provisions (the “Governance Provisions”):

Dividend Forbearance and Approval

JBS agrees that if PPC declares any dividends during the twelve months following the Effective Date, JBS Entities (as defined below) will forgo receipt of their *pro rata* interest in such dividends until stockholders of PPC other than JBS Entities shall receive declared dividends in an amount equal to their *pro rata* interest, as of the Effective Date, in \$42.5 million. To the extent PPC issues dividends during that time period in excess of that amount, JBS Entities may participate in the excess on a *pro rata* basis. Further, JBS agrees that for the twelve months following the Effective Date, any dividend to be paid by PPC must be approved by a resolution of at least a majority of the Equity Directors (as that term is defined in PPC’s Amended and Restated Certificate of Incorporation).

For purposes of this Dividend Forbearance and Approval, “JBS Entities” means JBS and any of its affiliates that hold an equity interest in PPC.

Enhanced Advisor Independence

Following final approval of the Settlement, the board of directors of Pilgrim’s Pride Corporation will adopt within its Governance Policies the following provision to be included as Section 7:

7. INDEPENDENT ADVISORS

(a) **Related Party Transactions:** for any transaction between the company, on the one hand, and JBS Entities or any member of the Batista Family, on the

other, that involves assets reasonably valued in excess of \$100 million and for which the Equity Directors have decided to retain financial and/or legal advisors, the Equity Directors shall retain financial and/or legal advisors that have not represented or earned any fee from the company (other than from a committee of the board comprised solely of Equity Directors), JBS Entities, the Batista Family, or the respective affiliates of the foregoing, in the last three years.

(b) Expiration: This Section 7 shall remain in effect until [a date that is three years from the Effective Date] and shall cease to be in effect after such date. However, this Section 7 shall terminate if the company ceases to be a publicly-traded company or a reporting company subject to Section 13 or Section 15(d) of the Exchange Act.

(c) For purposes of this Section 7, the following definitions apply:

(i) “Batista Family” means any of José Batista Sobrinho, Flora Mendonça Batista, Valére Batista Mendonça Ramos, Vanessa Mendonça Batista, Wesley Mendonça Batista, Joesley Mendonça Batista, Vivianne Mendonça Batista Silveira, or their respective affiliates.

(ii) “Equity Directors” has the meaning assigned to it in the company’s Amended and Restated Certificate of Incorporation.

(iii) “JBS Entities” means JBS S.A. and any of its affiliates that hold an equity interest in the company.

WHAT ARE THE PARTIES’ REASONS FOR THE SETTLEMENT?

35. Plaintiffs, through Plaintiffs’ Counsel, have conducted an extensive investigation and discovery relating to the claims and underlying events and transactions alleged in the Action. Plaintiffs’ Counsel have analyzed the evidence adduced during their investigation and discovery and have also researched the applicable law with respect to the claims asserted in the Action and the potential defenses thereto. In negotiating and evaluating the terms of the Settlement, Plaintiffs and Plaintiffs’ Counsel considered the significant legal and factual defenses to Plaintiffs’ claims and the expense, length, and risk of pursuing their claims through trial and appeals. While Plaintiffs brought their claims in good faith and continue to believe that their claims have merit, Defendants

vigorously argued that they had acted appropriately and are not subject to liability or damages. In light of the substantial monetary recovery and valuable governance changes achieved by the Settlement, Plaintiffs and Plaintiffs' Counsel have determined that the proposed Settlement is fair, reasonable, adequate, and in the best interests of PPC and its stockholders. The Settlement provides substantial immediate benefits to PPC without the risk that continued litigation could result in obtaining similar or lesser relief for PPC after continued extensive and expensive litigation, including trial and the appeals that were likely to follow.

36. Defendants, to avoid the burden, expense, disruption, and distraction of further litigation, and without admitting the validity of any allegations made by Plaintiffs in the Complaint, or any liability with respect thereto, have concluded that it is desirable that the claims against them be settled on the terms reflected in the Stipulation. Defendants have denied, and continue to deny, each and all of the claims and contentions alleged by Plaintiffs in the Complaint, including any and all allegations of wrongdoing, allegations of liability, and the existence of any damages asserted in the Complaint or arising from the Action. Without limiting the generality of the foregoing, Defendants have denied, and continue to deny, that they have committed any breach of fiduciary duty or have violated any statutory duty whatsoever, and each Defendant expressly maintains that he or it has diligently and scrupulously complied with his or its statutory, fiduciary, and other legal duties and is entering into the Stipulation and the Settlement to eliminate the burden, expense, disruption, and distraction inherent in further litigation.

<p>WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS WILL THE SETTLEMENT RELEASE?</p>

37. If the Settlement is approved, the Court will enter an Order and Final Judgment Approving Derivative Action Settlement (the "Judgment"). Pursuant to the Judgment, upon the Effective Date of the Settlement, the Action will be dismissed with prejudice and the following releases will occur:

Release of Claims by Plaintiffs: Upon the Effective Date of the Settlement, PPC, Plaintiffs and each and every stockholder of PPC, derivatively on behalf of PPC, and on behalf of themselves and their respective agents, spouses, heirs, executors, administrators, personal representatives, predecessors, successors, transferors,

transferees, representatives, and assigns, in their capacities as such only, shall be deemed to have, and by operation of the Judgment approving this Settlement shall have, completely, fully, finally, and forever, compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice, and shall forever be enjoined from prosecuting, any and all Released Plaintiffs' Claims against the Released Defendants' Persons.

"Released Plaintiffs' Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including known claims and Unknown Claims, that (i) Plaintiffs asserted in the Complaint, or (ii) Plaintiffs or any other stockholder of PPC could have asserted derivatively on behalf of PPC, or that PPC could have asserted directly, in any court, tribunal, forum or proceeding, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule, (A) that are based upon, arise out of, or involve the facts, matters or events alleged or set forth in the Complaint, including the actions, inactions, deliberations, discussions, decisions, votes, disclosures, non-disclosures, aiding and abetting, or any other conduct of any kind of the Released Defendants' Persons alleged or set forth in the Complaint, or (B) that are based upon, arise out of, or involve the Moy Park Transaction; provided, however, that the Released Plaintiffs' Claims shall not include any claims to enforce the Stipulation or the Settlement. For the avoidance of doubt, the Released Plaintiffs' Claims include only claims belonging to PPC, or that could be asserted derivatively on behalf of PPC, and do not include (i) any claims that arise out of, are based upon, or relate to any conduct of the Released Defendants' Persons that occurs after the date of execution of the Stipulation; (ii) any direct claims of any stockholder of PPC, including any claims arising out of, based upon, or relating to the federal or state securities laws; or (iii) any claims, if any, that any party may have against any insurer with respect to obligations to fund the Cash Settlement Amount or any portion thereof.

"Released Defendants' Persons" means, whether or not each or all of the following Persons were named, served with process, or appeared in the Action, (i) Defendants; (ii) all Persons named at any time as defendants in the Complaint; (iii) PPC and all other past and present officers and directors of PPC; and (iv) for each and all of the Persons identified in the foregoing clauses (i), (ii) and (iii) of this subsection, any

and all of their respective past or present family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, insurers, reinsurers, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, controlling persons, affiliates, parents, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, principals, officers, managers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates.

Release of Claims by Defendants and PPC: Upon the Effective Date of the Settlement, Defendants, PPC, and the other Released Defendants' Persons, on behalf of themselves and their respective agents, spouses, heirs, executors, administrators, personal representatives, predecessors, successors, transferors, transferees, representatives, and assigns, in their capacities as such only, shall be deemed to have, and by operation of the Judgment approving this Settlement shall have, completely, fully, finally, and forever, compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice, and shall forever be enjoined from prosecuting, any and all Released Defendants' Claims against the Released Plaintiffs' Persons.

"Released Defendants' Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, judgments, defenses, counterclaims, offsets, decrees, matters, issues and controversies of any kind, nature or description whatsoever, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including known claims and Unknown Claims, including, but not limited to, any claims arising under state or federal statutory or common law, that arise out of, are based upon, or relate to the institution, prosecution, or settlement of the claims asserted in the Action; provided, however, that the Released Defendants' Claims shall not include any claims arising out of, based upon, or relating to the enforcement of the Stipulation or the Settlement, and shall not include claims, if any, that any Party may have against any insurer with respect to obligations to fund the Cash Settlement Amount or any portion thereof.

“Released Plaintiffs’ Persons” means Plaintiffs and Plaintiffs’ Counsel, and any and all of their respective past or present family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, insurers, reinsurers, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, controlling persons, affiliates, parents, subsidiaries, divisions, direct or indirect affiliates, associated entities, stockholders, principals, officers, managers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates, as well as PPC as nominal defendant.

“Person” means any individual, corporation, professional corporation, limited liability company, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, or any other business or legal entity.

“Unknown Claims” means any Released Plaintiffs’ Claims which any Plaintiff does not know or suspect to exist in his or its favor at the time of the release of such claims and any Released Defendants’ Claims which any Defendant or PPC does not know or suspect to exist in his or its favor at the time of the release of such claims, which, if known by him or it, might have affected his or its decision(s) with respect to this Settlement. With respect to any and all Released Plaintiffs’ Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, they shall expressly waive any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Parties acknowledge that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. The “Effective Date” of the Settlement will be the first date upon which the following conditions of the Settlement have been met and occurred: (i) payment of the Cash Settlement Amount into the Account in accordance with paragraph 34 above; (ii) Plaintiffs and Defendants have not exercised their options to terminate the Settlement; and (iii) the Court has entered the Judgment and the Judgment has become Final.

39. By Order of the Court, pending final determination of whether the Settlement should be approved, (i) all proceedings in the Action, other than proceedings as may be necessary to carry out the terms and conditions of the Stipulation, have been stayed until otherwise ordered by the Court; (ii) Plaintiffs and all other PPC stockholders are barred and enjoined from commencing, prosecuting, instigating or in any way participating in the commencement or prosecution of any action asserting any Released Plaintiffs’ Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Defendants’ Persons; and (iii) PPC and Defendants are barred and enjoined from commencing, prosecuting, instigating or in any way participating in the commencement or prosecution of any action asserting any Released Defendants’ Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Plaintiffs’ Persons.

<h4>HOW WILL THE ATTORNEYS BE PAID?</h4>
--

40. Plaintiffs’ Counsel have not received any payment for their services in pursuing the claims asserted in this Action, nor have Plaintiffs’ Counsel been reimbursed for their out-of-pocket expenses. Plaintiffs’ Counsel invested their own resources for pursuing the claims asserted on a contingency basis, meaning they would only recover their expenses and be compensated for their time if they created benefits through this litigation. In light of the risks undertaken in pursuing this litigation on a contingency basis and the benefits created for PPC and its stockholders through the Settlement and the prosecution of the claims asserted, Plaintiffs’ Counsel intend to petition the Court for an award of attorneys’ fees and litigation expenses to be paid from (and out of) the Cash Settlement Amount. Plaintiffs’ Counsel’s fee and expense application will seek an award of attorneys’ fees and expenses in a total amount not to exceed 25% of the Cash Settlement Amount.

41. The Court will determine the amount of any attorney fee and expense award to Plaintiffs’ Counsel (the “Fee and Expense Award”). Any Court-approved

Fee and Expense Award will be paid from the Cash Settlement Amount. PPC stockholders are not personally liable for any such fees or expenses.

**WHEN AND WHERE WILL THE SETTLEMENT FAIRNESS HEARING
BE HELD? DO I HAVE THE RIGHT TO APPEAR AT THE
SETTLEMENT FAIRNESS HEARING? MAY I OBJECT TO THE
SETTLEMENT AND SPEAK AT THE HEARING IF I DON'T LIKE THE
SETTLEMENT?**

42. The Court will consider the Settlement and all matters related to the Settlement at the Settlement Fairness Hearing. The Settlement Fairness Hearing will be held before Vice Chancellor J. Travis Laster on _____, 2019, at _____.m., in the Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, DE 19801.

43. At the Settlement Fairness Hearing, the Court will, among other things: (i) determine whether Plaintiffs and Plaintiffs' Counsel have adequately represented the interests of PPC and its stockholders; (ii) determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to PPC and its stockholders, and should be approved by the Court; (iii) determine whether the Judgment, substantially in the form attached as Exhibit D to the Stipulation, should be entered dismissing the Action with prejudice against Defendants and settling, releasing, and enjoining prosecution of any and all Released Plaintiffs' Claims against the Released Defendants' Persons; (iv) determine whether the application by Plaintiffs' Counsel for an award of attorneys' fees and litigation expenses should be approved; and (v) to consider any other matters that may properly be brought before the Court in connection with the Settlement. PPC stockholders do not need to attend the Settlement Fairness Hearing.

44. Please Note: The Court has reserved the right to adjourn the Settlement Fairness Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees and expenses, without further notice of any kind other than by oral announcement at the Settlement Fairness Hearing or any adjournment thereof. The Court has further reserved the right to approve the Stipulation and the Settlement, at or after the Settlement Fairness Hearing, with such modifications as may be consented to by the Parties and without further notice to PPC stockholders. You should monitor the Court's docket and Plaintiffs' Counsel's websites, as indicated in paragraph 51 below, before making plans to attend the Settlement Fairness Hearing. You may also confirm the date and time of the Settlement Fairness Hearing by contacting Plaintiffs' Counsel as indicated in paragraph 51 below.

45. Any Current PPC Stockholder who or which continues to own shares of PPC common stock as of _____, 2019, the date of the Settlement Fairness Hearing, may object to the Settlement and/or Plaintiffs' Counsel's application for an award of attorneys' fees and litigation expenses. Objections must be in writing and filed with the Register in Chancery at the address set forth below on or before _____, 2019. Objections must also be served on counsel for Plaintiffs, Defendants, and PPC by hand, first class U.S. mail, or express service, at the addresses set forth below such that they are received on or before _____, 2019.

Register in Chancery

Register in Chancery
Delaware Court of
Chancery
Leonard L. Williams
Justice Center
500 North King Street
Wilmington, DE 19801

Counsel for Plaintiffs

Mark Lebovitch, Esq.
Bernstein Litowitz Berger
& Grossmann LLP
1251 Avenue of the Americas
New York, NY 10020

Jason M. Leviton, Esq.
Block & Leviton LLP
260 Franklin Street, Suite 1860
Boston, MA 02110

Kurt M. Heyman, Esq.
Heyman Enerio Gattuso
& Hirzel LLP
300 Delaware Avenue, Suite 200
Wilmington, DE 19801

Counsel for Defendants

Adam Abensohn
Quinn Emanuel Urquhart
& Sullivan, LLP
51 Madison Avenue,
22nd Floor
New York, NY 10010

Michael A. Barlow
Abrams & Bayliss LLP
20 Montchanin Road,
Suite 200
Wilmington, DE 19807

Counsel for PPC

Kevin R. Shannon
Potter Anderson & Corroon LLP
Hercules Plaza
1313 North Market Street,
6th Floor
Wilmington, DE 19801

46. Any objections, filings, and other submissions must: (i) state the name, address, and telephone number of the objector and, if represented by counsel, the name, address, and telephone number of his, her, or its counsel; (ii) be signed by the objector; (iii) state that the objection is being filed with respect to "*In re Pilgrim's Pride Corporation Derivative Litigation*, Consol. C.A. No. 2018-0058-JTL"; (iv) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the objector wishes to bring to the Court's attention, and if the objector has indicated that he, she, or it intends to appear at the Settlement Fairness Hearing, the identity of any witnesses the objector may call to testify and any exhibits the objector intends to introduce into

evidence at the hearing; and (v) include documentation sufficient to prove that the objector owned shares of PPC common stock as of the close of business on [DATE OF ENTRY OF SCHEDULING ORDER] and contain a statement that the objector continues to hold shares of PPC common stock as of the date of filing of the objection and will continue to hold shares of PPC common stock as of the date of the Settlement Fairness Hearing.

47. Current PPC Stockholders who or which continue to own shares of PPC common stock as of the date of the Settlement Fairness Hearing may file a written objection without having to appear at the Settlement Fairness Hearing. Unless the Court orders otherwise, however, such persons may not appear at the Settlement Fairness Hearing to present their objections unless they first filed and served a written objection in accordance with the procedures described above.

48. Persons who file and serve a timely written objection as described above and who wish to be heard orally at the Settlement Fairness Hearing in opposition to the approval of the Settlement or Plaintiffs' Counsel's application for an award of attorneys' fees and expenses, must also file a notice of appearance with the Register in Chancery and serve it on counsel for Plaintiffs, Defendants, and PPC at the addresses set forth in paragraph 45 above so that it is *received* on or before _____, 2019. Persons who intend to object and desire to present evidence at the Settlement Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

49. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on counsel for Plaintiffs, Defendants, and PPC at the addresses set forth in paragraph 45 above so that the notice is *received* on or before _____, 2019.

50. Unless the Court orders otherwise, any person or entity who or which does not make his, her, or its objection in the manner set forth above will: (i) be deemed to have waived and forfeited his, her, or its right to object to any aspect of the proposed Settlement or Plaintiffs' Counsel's application for an award of attorneys' fees and litigation expenses; (ii) be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement, the Judgment to be entered approving the Settlement, or the attorneys' fees and expenses; and (iii) be deemed to have waived and forever barred and foreclosed from

being heard, in this or any other proceeding, with respect to any matters concerning the Settlement or the requested or awarded attorneys' fees and expenses.

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I
HAVE QUESTIONS?**

51. This Notice does not purport to be a comprehensive description of the Action, the allegations related thereto, or the terms of the Settlement. For a more detailed statement of the matters involved in the Action, you may view a copy of the Stipulation in the "Investor Relations" section of PPC's website, www.pilgrims.com. You may also inspect the pleadings, the Stipulation, the Orders entered by the Court, and other papers filed in the Action at the Office of the Register in Chancery in the Court of Chancery of the State of Delaware, Court of Chancery of the State of Delaware, Leonard L. Williams Justice Center, 500 North King Street, Wilmington, DE 19801, during regular business hours of each business day. Copies of case documents, including the Stipulation and the Complaint, are also available on Plaintiffs' Counsel's websites: www.blbglaw.com, www.blockesq.com, and www.hegh.law. If you have questions regarding the Action or the Settlement, you may write or call Plaintiffs' Counsel: Mark Lebovitch, Esq., Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, New York, NY 10020, (800) 380-8496; Jason M. Leviton, Esq., Block & Leviton LLP, 260 Franklin Street, Suite 1860, Boston, MA 02110, (617) 398-5600; or Kurt M. Heyman, Esq., Heyman Enerio Gattuso & Hirzel LLP, 300 Delaware Avenue, Suite 200, Wilmington, DE 19801, (302) 472-7300.

**NOTICE TO PERSONS OR ENTITIES HOLDING RECORD
OWNERSHIP ON BEHALF OF OTHERS.**

52. Brokerage firms, banks, and other persons or entities holding shares of PPC common stock as of the close of business on [DATE OF ENTRY OF SCHEDULING ORDER] as record holders for the beneficial interest of persons or organizations other than themselves are requested to immediately send this Notice to all such beneficial owners. If additional copies of the Notice are required to forward to such beneficial owners, record holders may (i) request from PPC at Investor Relations, Pilgrim's Pride Corporation, 1770 Promontory Circle, Greeley, CO 8034-9038 (dunham.winoto@pilgrims.com), sufficient copies of this Notice to forward to all such beneficial owners; or (ii) provide a list of the names and addresses of all such beneficial owners to PPC at Investor Relations, Pilgrim's Pride Corporation, 1770 Promontory Circle, Greeley, CO 8034-9038

(dunham.winoto@pilgrims.com). If you choose the second option, PPC will send a copy of the Notice to the beneficial owners. Copies of this Notice may also be obtained from the “Investor Relations” section of PPC’s website, www.pilgrims.com.

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF
THE REGISTER IN CHANCERY REGARDING THIS NOTICE.**

Dated: _____, 2019

BY ORDER OF THE COURT

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE PILGRIM'S PRIDE CORPORATION :
DERIVATIVE LITIGATION : Consol. C.A. No. 2018-0058-JTL
:

FINAL ORDER AND JUDGMENT
APPROVING DERIVATIVE ACTION SETTLEMENT

WHEREAS, a consolidated stockholder derivative action is pending in this Court captioned *In re Pilgrim's Pride Corporation Derivative Litigation*, Consol. C.A. No. 2018-0058-JTL (the "Action");

WHEREAS, (a) plaintiffs Matthew Sciabacucchi ("Sciabacucchi") and Employees' Retirement System of the City of St. Louis ("St. Louis," and, together with Sciabacucchi, "Plaintiffs"); (b) defendants JBS S.A. ("JBS") and JBS USA Holdings Lux S.á r.l. ("JBS Lux"); (c) defendants William Lovette, Andre Nogueira de Souza, Gilberto Tomazoni, and Denilson Molina (collectively, the "Individual Defendants," and, together with JBS and JBS Lux, "Defendants"); and (d) nominal defendant Pilgrim's Pride Corporation ("PPC" and, together with Plaintiffs and Defendants, the "Parties") have entered into a Stipulation and Agreement of Settlement, Compromise, and Release dated October 3, 2019 (the "Stipulation"), which provides for the full settlement, satisfaction, and release of all Released Plaintiffs' Claims against the Released Defendants' Persons and the dismissal with prejudice of the Action, subject to the approval of this Court;

WHEREAS, by Order dated _____, 2019 (the “Scheduling Order”), this Court (a) ordered that notice of the proposed Settlement be provided to PPC stockholders; (b) provided current PPC stockholders with the opportunity to object to the proposed Settlement and Plaintiffs’ Counsel’s application for an award of attorneys’ fees and litigation expenses; and (c) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, the Court conducted a hearing on _____, 2019 (the “Settlement Fairness Hearing”) to consider, among other things, (a) whether Plaintiffs and Plaintiffs’ Counsel have adequately represented the interests of PPC and its stockholders; (b) whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to PPC and its stockholders, and should be approved by the Court; (c) whether a Final Order and Judgment should be entered dismissing the Action with prejudice against Defendants; (d) the application by Plaintiffs’ Counsel for an award of attorneys’ fees and litigation expenses; and (e) any objections to the Settlement or the application by Plaintiffs’ Counsel for an award of attorneys’ fees and litigation expenses.

WHEREAS, it appearing that due notice of the hearing has been given in accordance with the Scheduling Order; the Parties having appeared by their respective attorneys of record; the Court having heard and considered evidence in support of the proposed Settlement; the attorneys for the respective Parties having been heard; an opportunity to be heard having been given to all other persons or

entities requesting to be heard in accordance with the Scheduling Order; the Court having determined that notice to PPC stockholders was adequate and sufficient; and the entire matter of the proposed Settlement having been heard and considered by the Court;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED, this ____ day of _____, 2019, as follows:

1. **Definitions:** Unless otherwise defined in this Judgment, the capitalized terms used herein shall have the same meaning as they have in the Stipulation.

2. **Jurisdiction:** The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and PPC stockholders and in any dispute arising out of or relating in any way to the Settlement. It is further determined that Plaintiffs, Defendants, PPC, and all PPC stockholders, as well as their heirs, executors, successors, and assigns, are bound by this Judgment.

3. **Incorporation of Settlement Documents:** This Judgment incorporates and makes a part hereof: (a) the Stipulation, which was filed with the Court on _____, 2019; and (b) the Notice, which was filed with the Court on _____, 2019.

4. **Derivative Action Properly Maintained; Adequacy of Plaintiffs and Plaintiffs' Counsel:** Based on the record in the Action, each

of the provisions of Court of Chancery Rule 23.1 has been satisfied and the Action has been properly maintained according to Court of Chancery Rule 23.1. Plaintiffs in this Action have continuously held stock in PPC since the time of the conduct complained of in the Action, and otherwise have standing to prosecute this Action derivatively on behalf of PPC; this Action was properly instituted as a derivative action on behalf of PPC; and Plaintiffs and Plaintiffs' Counsel have adequately represented the interests of PPC and its stockholders both in terms of litigating the Action and for purposes of entering into and implementing the Settlement.

5. **Notice:** The Court finds that the dissemination of the Notice: (a) was implemented in accordance with the Scheduling Order; (b) constituted notice that was reasonably calculated, under the circumstances, to apprise PPC stockholders of: (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Plaintiffs' Counsel's application for an award of attorneys' fees and expenses; (iv) their right to object to the Settlement and/or Plaintiffs' Counsel's application for attorneys' fees and expenses; and (v) their right to appear at the Settlement Fairness Hearing; (c) constituted due, adequate, and sufficient notice to all Persons entitled to receive notice of the proposed Settlement; and (d) satisfied the requirements of Court of Chancery Rule 23.1, the United

States Constitution (including the Due Process Clause), and all other applicable law and rules.

6. **Final Settlement Approval and Dismissal of Claims:** Pursuant to, and in accordance with, Court of Chancery Rule 23.1, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the Settlement consideration; the Releases, including the release of the Released Plaintiffs' Claims as against the Released Defendants' Persons; and the dismissal with prejudice of the claims asserted against the Defendants in the Action), and finds that the Settlement is, in all respects, fair, reasonable and adequate to PPC and its stockholders. The Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

7. The Action and all of the claims asserted against Defendants in the Action by Plaintiffs are hereby dismissed with prejudice. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

8. **Binding Effect:** The terms of the Stipulation and of this Judgment shall be forever binding on Plaintiffs, Defendants, PPC, PPC stockholders, the Released Persons, as well as their respective successors and assigns.

9. **Releases:** The Releases set forth in paragraphs 6 and 7 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to Paragraph 10 below, upon the Effective Date of the Settlement, PPC, Plaintiffs and each and every stockholder of PPC, derivatively on behalf of PPC, and on behalf of themselves and their respective agents, spouses, heirs, executors, administrators, personal representatives, predecessors, successors, transferors, transferees, representatives, and assigns, in their capacities as such only, shall be deemed to have, and by operation of this Judgment approving the Settlement shall have, completely, fully, finally, and forever, compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice, and shall forever be enjoined from prosecuting, any and all Released Plaintiffs' Claims against the Released Defendants' Persons.

(b) Without further action by anyone, and subject to Paragraph 10 below, upon the Effective Date of the Settlement, Defendants, PPC, and the other Released Defendants' Persons, on behalf of themselves and their respective agents, spouses, heirs, executors, administrators, personal representatives, predecessors, successors, transferors, transferees,

representatives, and assigns, in their capacities as such only, shall be deemed to have, and by operation of the Judgment approving this Settlement shall have, completely, fully, finally, and forever, compromised, settled, released, discharged, extinguished, relinquished, and dismissed with prejudice, and shall forever be enjoined from prosecuting, any and all Released Defendants' Claims against the Released Plaintiffs' Persons.

10. Notwithstanding Paragraphs 9(a)-(b) above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment. Further, no direct claims of any PPC stockholder, including any claims arising out of, based upon, or relating to the federal or state securities laws, are being released by the Settlement or this Judgment.

11. **No Admissions:** Neither the Term Sheet, the Stipulation, including the exhibits thereto, or the negotiations leading to the execution of the Term Sheet or the Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Released Defendants' Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Defendants' Persons with respect to any fact alleged by Plaintiffs in the Complaint or during the Action or the validity

of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Defendants' Persons or in any way referred to for any other reason as against any of the Released Defendants' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement; (b) shall be offered against any of the Released Plaintiffs' Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Released Plaintiffs' Persons that any of their claims are without merit, that any of the Released Defendants' Persons had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement consideration or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released Plaintiffs' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement.

12. **Award of Attorneys' Fees and Litigation Expenses:**

Plaintiffs' Counsel are hereby awarded attorneys' fees and litigation expenses in the total amount of \$_____ (the "Fee and Expense Award"), which sum the Court finds to be fair and reasonable. Defendants (or their

successors-in-interest) shall cause the Fee and Expense Award to be paid to Plaintiffs' Counsel from the Cash Settlement Amount held in the Account in accordance with the terms of the Stipulation.

13. No proceedings or court order with respect to the award of attorneys' fees and expenses to Plaintiffs' Counsel shall in any way disturb or affect this Judgment (including precluding this Judgment from being Final or otherwise being entitled to preclusive effect), and any such proceedings or court order shall be considered separate from this Judgment.

14. **Retention of Jurisdiction:** Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over the Parties and all PPC stockholders for purposes of the administration, interpretation, implementation, and enforcement of the Settlement.

15. **Modification of the Stipulation:** Without further approval from the Court, the Parties are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of PPC and its stockholders in connection with the Settlement. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any provisions of the Settlement.

16. **Termination of Settlement:** If the Settlement is terminated as provided in the Stipulation, this Judgment shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Plaintiffs, Defendants, PPC, and its stockholders, and the Parties shall each revert to their respective litigation positions in the Action as of immediately prior to the execution of the Term Sheet on September 5, 2019, as provided in the Stipulation.

17. **Entry of Final Judgment:** There is no just reason to delay the entry of this Judgment as a final judgment in the Action. Accordingly, the Register in Chancery is expressly directed to immediately enter this final judgment in the Action.

Vice Chancellor J. Travis Laster