

Tyson Foods

2017 Annual Meeting of Shareholders

February 9, 2017 at 11:00 AM Eastern

CORPORATE PARTICIPANTS

John Tyson – *Chairman of the Board*

Read Hudson – *VP, Associate General Counsel, and Secretary*

Dennis Leatherby – *EVP and CFO*

Tom Hayes – *President and CEO*

PRESENTATION

John Tyson

[Audio Difficulties] to start our 54th Annual Meeting of our Shareholders convened on February 9, 2017. I do call the meeting to order and, as I said, good morning and welcome. We will begin with the business portion of our meeting. The bylaws of the company specify that the Chairman and the Secretary of the company are the Chairman and the Secretary of the Annual Meeting. At this time, the Chair recognizes Read Hudson, who will report on our preparations for the meeting.

Read Hudson

Thank you Mr. Chairman. All shareholders were sent a notice of Annual Meeting and Proxy on or about December 22, 2016, which is evidenced by an affidavit from our mail agent. As required by Delaware law, a certified list of shareholders as of the record date of December 12, 2016, is available for inspection in the lobby.

Additional voting cards are available for those who wish to overrule their previous proxy cards or who might wish to vote if they have not already. Anyone desiring a voting card should raise their hand.

Bylaws of the Company provide for a proxy committee of one or more persons designated by the Board of Directors. The Board has appointed John Tyson and Kevin McNamara as members of the proxy committee. Mr. Chairman, I am reporting at the direction of the proxy committee that of the total possible shares of 357,715,977 as of December 12, 2016, 320,593,280 shares were voted and represent a quorum at this meeting.

John Tyson

Based upon the report of the corporate Secretary, I hereby declare that the shareholders' meeting has been properly called and we do have a quorum. I ask that any questions from shareholders be submitted in writing. If you have a question, raise your hand. We will bring you a notepad, and if we can answer the question without research and time permits, we will do so at the meeting but our promise to you is we will be back within seven days.

I hereby appoint Chris Wright as the Sergeant at Arms and authorize him to appoint deputies to enforce the rules of this meeting, which are in your program. I do need a motion regarding the reading of the minutes of the last annual shareholders meeting.

Unidentified Participant

[Audio difficulties]

John Tyson

It has been moved and seconded that we waive the reading of the minutes of the 2016 Shareholders Meeting. All of those in favor signify by "yes". All opposed, "nay". The reading of the minutes of the last annual shareholders meeting will be waived.

The next item on the order of business is the election of your directors. The nominees have been set forth in the proxy and I would like to introduce the director nominees for the ensuing year, and would ask each of them to stand and, please hold your applause until the end. Gaurdie Bannister, Governor Mike Beebe, Mikel Durham, Tom Hayes, Kevin McNamara, Cheryl Miller, Brad Sauer, Jeff Schomburger, Robert Thurber, Barbara Tyson, and myself, John Tyson. These are your slate of directors. Thank you all. The directors have been nominated as

presented and would the secretary please report the results of the vote regarding their election.

Read Hudson

Mr. Chairman, there were at least 903,971,279 votes cast favoring the election of each nominee presented, representing 97.14% of the votes cast. A clear majority votes for the election of the nominees as directors.

John Tyson

With 97.14% of the votes cast favoring the election of the nominees, I declare the slated electors elected as nominated. The next item of business is the proposal to ratify the selection of PricewaterhouseCoopers LLP our independent-registered public accounting firm as the company's independent-registered public accountant for the year ending September 30, 2017, and would the secretary report on those votes.

Read Hudson

Mr. Chairman, there were 947,140,257 votes cast favoring ratification of the selection of PricewaterhouseCoopers LLP as independent-registered public accountant, representing 99.63% of the votes cast. There were 2,872,909 votes cast against ratification, representing 0.3% of the votes cast. A clear majority votes for the ratification of PricewaterhouseCoopers LLP as the company's independent-registered public accountant.

John Tyson

With 99.63% of the votes cast for ratification, I declare the selection of PricewaterhouseCoopers LLP as the company's independent-registered public accountant ratified.

Our next item of business is the proposal to approve on a nonbinding advisory basis the compensation of the company's named Executive Officers as set forth in our proxy statement, and once again, would the secretary read the results.

Read Hudson

Mr. Chairman, there were 911,154,167 votes cast favoring the proposal, representing 97.91% of the eligible votes. There were 19,097,830 votes cast against the proposal, representing 2.05% of the eligible votes. A clear majority votes for the adoption of the proposal.

John Tyson

With 97.91% of votes cast for the proposal, I declare that the proposal has been approved.

The next item of business is a proposal to approve on a non-binding advisory basis, the frequency of the advisory vote regarding the compensation of the company's named executive.

Would the secretary please report the results? I think I repeated myself. No, I didn't. Go ahead.

Read Hudson

Mr. Chairman, there were 737,032,756 votes cast favoring a 3-year frequency, representing 79.20% of the eligible votes. There were 678,865 votes favoring a 2-year frequency, representing 0.07% of the eligible votes. And there were 192,514,197 votes favoring a 1-year frequency, representing 20.68% of the eligible votes. Mr. Chairman, a clear plurality votes for the adoption of a 3-year frequency of the advisory vote proposal.

John Tyson

With 79.20% of the votes cast favoring a 3-year frequency, I declare that the 3-year frequency of the advisory vote proposal has been approved.

We have some next items of business, which is the shareholder proposal to request a report disclosing the company's policy, procedures, expenditures, and other activities relating to lobbying and grass roots lobbying communication and the Chair recognizes a representative to present the proposal.

Dan Sullivan

Mr. Chairman, fellow share owners, and members of the Board, my name is Dan Sullivan, and on behalf of the International Brotherhood of Teamsters and Mercy Investments, I move to item 5, asking our company to report on its state and federal lobbying expenditures, including direct funding of lobbying through trade associations. Transparency and accountability in corporate spending to influence public policy are in the best interest of Tyson shareholders. Without a clear ensuring of accountability, corporate assets can be used to promote public policy objectives, which may pose risk to our company and its shareholders.

Tyson spent over \$5.6 million from 2012 to 2015 on federal lobbying activities according to federal disclosure reports. Our company's claim that the proposal overstates the actual amount paid for lobbying is strange, since the amounts are publically filed and reflect what our company has officially reported. If Tyson's federal lobbying amounts are overstated, is our company then misrepresenting its federal lobbying? And, there is incomplete disclosure about spending at the state level, where our company also lobbies.

Tyson is required to report its lobbying and already has this information, so it can easily provide more complete information to shareholders. Tyson does not disclose its trade association memberships in payments, nor the portion of these payments used for lobbying. Tyson's share owners currently have no way to know about trade associates in memberships or contributions being used to lobby on its behalf.

We believe disclosure transparency is a safety mechanism for our company and its reputation, and what gets disclosed gets managed. A recent New York Times article on lobbying by the food industry and Grocery Manufacturers Association notes the reputational risks, stating battling against transparency is bound to sow seeds of distrust, potentially undermining the most precious pieces of cultural capital big food owns: Its brands.

Full disclosure of Tyson's lobbying will ensure proper oversight of our company's lobbying. Leading proxy voters, ISS supports this proposal with ISS noting that Tyson, the company does not seem to have a comprehensive lobbying expenditure policy, does not list the trade association memberships, nor does it disclose its board-level oversight of its direct and indirect lobbying activities. Tyson also does not disclose its lobbying expenditures and payments that it made to trade associations, nor the portion used for lobbying activities.

Our request for disclosure is a call for transparency and accountability in the spending of shareholder resources. We urge shareholders to vote for this proposal. Thank you.

John Tyson

We respect your statement. The Board of Directors' statement with respect to the shareholder proposal is set forth in the proxy statement and does speak for itself, and would the secretary report the results.

Read Hudson

Mr. Chairman, there were 110,069,690 votes cast favoring the shareholder proposal, representing 11.82% of the votes cast. There were 814,372,346 votes cast against this shareholder proposal, representing 87.51% of the votes cast. A clear majority votes against the adoption of this shareholder proposal.

John Tyson

With 87.51% of the votes cast against the shareholder proposal, I declare that this shareholder proposal has been defeated. The next item of business is the shareholder proposal to request a report on steps the company is taking to foster greater diversity on the Board of Directors. The Chair recognizes a representative of the proponent to present the proposal. Will the representative please speak?

Alex Galimberti

Thank you. Good morning. My name is Alex Galimberti and I am speaking on behalf of a resolution filed by OxFam America. OxFam America is a nonprofit global antipoverty organization active in more than 90 countries around the world, including the US. We are also a shareholder of Tyson.

To begin, OxFam would like to thank Tyson for the steps it has taken recently to make positive change for consumers and employees. These actions include phasing out the use of antibiotics, increasing wage for many workers, and conducting third-party audits on social compliance issues. We are also grateful that Tyson has participated in a continued dialog with OxFam to discuss concerns that OxFam has raised regarding the health and wellbeing of Tyson's workforce. We believe Tyson can emerge as a leader in this area.

Our resolution today calls on Tyson to increase the diversity of its Board. We were pleased to see that Tyson recently added another woman to its Board of Directors. With this addition, Tyson has 3 women serving on the Board, which is closer to representing the actual gender composition of Tyson's workforce. In fact, when a board reflects diversity of the workforce, this has positive implications for the business.

The resolution we have filed requests the Board prepare a report on steps Tyson is taking to foster greater diversity on the Board of Directors. A more diverse board brings a number of advantages to a business, including a stronger mix of leadership skills, improved understanding of consumer preferences, reduced reputational harm associated with workforce discrimination, a larger candidate pool from which to pick top talent, and different perspectives on risk. As it relates to the American poultry industry, board diversity also has the potential to foster sustainable improvements in the health and welfare of workers.

Nearly two-thirds of Tyson's workforce is comprised of people of color--a statistic that Tyson is and should be proud of. Yet, only one person of color currently sits on Tyson's Board. While Tyson has laudably committed itself to promoting diversity amongst its team members and suppliers, its efforts can and should go further. Diversity should be emphasized and promoted at all levels, including most importantly in its Board, which is responsible for setting policies and objectives in an increasingly dynamic, multicultural, and interconnected world. As a company that employs over 115,000 team members and provides products in 130 countries, Tyson has an obligation to its shareholders to ensure that its corporate governance principals appropriately take diversity into account. Thank you.

John Tyson

We respect your statement. The Board of Directors statement with respect to this shareholder's proposal is set forth in the proxy statement and speaks for itself. Once again, will the secretary read the results?

Read Hudson

Mr. Chairman, there were 22,312,650 votes cast favoring this shareholder proposal, representing 2.39% of the votes cast. There were 893,160,080 votes cast against this shareholder proposal, representing 95.98% of the votes cast. A clear majority votes against the adoption of this shareholder proposal.

John Tyson

With 95.98% of the votes cast against this shareholder proposal, I declare this shareholder proposal has been defeated. The next item of business is the shareholder proposal to amend the company's bylaws to implement proxy access, and the Chair recognizes the spokesperson.

Tim Nichols

Thank you, Mr. Chair. Good morning. I'm Tim Nichols, president and principal officer of Teamsters Local 878, and I'm here to present the shareholder proposal to amend the company's bylaws to implement proxy access on behalf of the United Auto Workers Retiree Medical Benefits Trust.

The UAW Retiree Medical Benefits Trust is a long-term investor of Tyson Foods, Incorporated. The proposal calls for a proxy access bylaw to enable shareowners that have collectively held at least 3% of the company for 3 years to include a limited number of director candidates in Management's proxy card. The proposed bylaw is designed to give substantial long-term share owners a meaningful voice in nominating and electing directors. We believe proxy access is a fundamental right that should be in place at all companies, regardless of their performance or overall governance.

Empirical studies from respected, independent sources including the CFA Institute and economists at the Securities and Exchange Commission have linked proxy access to increased share owner value. The proposed terms, however, include appropriate safeguards to prevent abuse, including a 3% ownership threshold and a three-year holding period. These terms were not selected at random. It was the SEC, following extensive analysis and public comment that determined that the 3% ownership threshold and other terms were most appropriate and provided adequate safeguards against abuse.

In addition, the CFA Institute study found that in other markets around the world where proxy access is allowed, often on terms less restrictive than those that have been proposed, it is used infrequently and with little disruption. Moreover, any share-owner nominee would still have to garner broad share-owner support before he or she could join the Board.

Many of these companies have voluntarily enacted proxy access without the need for a vote. Others have enacted proxy access in response to less than majority votes. Like these companies, we believe it is time for Tyson Foods, Incorporated to demonstrate its commitment to an accountable system of corporate governance that fosters long-term value creation. In the meantime, on behalf of the UAW Trust, I urge Tyson Foods, Incorporated share owners to support this proposal. Thank you for your time.

John Tyson

We respect your statement. The Board of Directors statement with respect to this shareholder proposal is set forth in the proxy and once again, would the Secretary read the results.

Read Hudson

Mr. Chairman, there were 201,895,800 votes cast favoring this shareholder proposal, representing 21.69% of the votes cast. There were 727,769,773 votes cast against this shareholder proposal, representing 78.2% of the votes cast. A clear majority votes against the adoption of this shareholder proposal.

John Tyson

With 78.20% of the votes cast against the shareholder proposal, I declare that this shareholder proposal has been defeated. The next item of business is the shareholder proposal to adopt and implement a water stewardship policy at the company and supplier facilities, and once again the Chair recognizes the spokesperson.

Alex Galimberti

Thank you. As stated before, I am here representing OxFam America, but right now I will be speaking on behalf of the American Baptist Home Mission Society and other Tyson shareholders who are members of the Interfaith Center on Corporate Responsibility. I move this shareholder proposal to adopt and implement a water stewardship policy that outlines leading practices to improve water quality for Tyson-owned facilities, facilities under contract to Tyson, and among Tyson suppliers.

The proponents present this resolution in the context of the UN Human Rights water and the UN Sustainable Development goals. How does Tyson Foods ensure that it does no harm to the communities living around its facilities and the farm and its supply chain? What is Tyson's role as a company to realize the right to water so that communities have access to water that is available in sufficient quantity, safe, physically acceptable, and affordable? How might Tyson advance the UN Sustainable Development Goal 6, which includes a commitment to improve water quality by reducing pollution and minimizing the release of hazardous chemicals?

Within Tyson's operations, these frameworks may be implicated by improper water stewardship caused by, for example, runoff from land application of manure [Unintelligible] or leaks from storage units containing dangerous pathogens. These incidents could lead to the release of toxins into waterways and affect the quality of drinking water for nearby residents, or cause an algal bloom in surface water that threatens aquatic life. Any such incident would be in direct opposition to realizing the human right to water and sustainable development goals.

The proponents of this resolution would instead expect to see Tyson advancing these important agendas laying out policies to not only mitigate risk but also demonstrate Tyson's commitment to respect for the human right to water. Mr. Hayes, under your leadership, it is the hope and expectation of the resolution's proponents that you will advance the conversation around sustainable food production, specifically as it relates to water stewardship as you strive for continued improvement and take a more proactive approach to sustainability.

Responsible management of water contamination risk is both environmentally responsible and financially prudent for your brands, and most importantly, will help Tyson to be a better citizen and serve its communities better. Water risk is one of the top risks for companies in your industry amid increasing competition for scarce water resources, the impact of climate change,

and pollution. As a result, corporate water stewardship is a growing area of concern for investors, customers, and purchasers, leading to scrutiny of company plans, policies, and performance.

Proper water management will shore up stakeholder confidence and eliminate the payment of expensive fines and community distrust with Tyson. Toxic discharge from your facilities are among the challenges, as indicated by research from Environment America in June 2016, which found that Tyson has the highest water pollution footprint of five major agri-business companies based on pollution in the supply chain from manure runoff, from vat leakers of grain, and direct dumping from processing facilities.

The proponents believe that Tyson must first have the appropriate policies in place for water stewardship, then work with your employees and family farms to provide education and resources to implement the policy, monitor their compliance, and finally, disclose the results transparently. This will enable Tyson to improve the resilience of its operations and help advance the reputation of your brand.

Shareholders appreciate the conversations they have had over the years with Tyson Foods on this issue, and they will continue to engage constructively with you. Last year, this resolution received support from 11.5% of votes, representing over 44% of votes held outside the Tyson Limited Partnership.

The proponents again encourage shareholders to support this resolution and urge you to adopt a water policy so that you may work together to reduce risks of our company's operations on our water systems. Thank you.

John Tyson

We respect your statement. The Board of Directors statement with respect to the shareholder proposal set forth in the proxy statement speaks for itself, and once again, the results from the Secretary.

Read Hudson

Mr. Chairman, there were 134,645,104 votes cast favoring this shareholder proposal, representing 14.46% of the votes cast. There were 784,720,194 votes cast against this shareholder proposal, representing 84.32% of the votes cast. A clear majority votes against the adoption of this shareholder proposal.

John Tyson

With 84.32% of the votes cast against the shareholder proposal, I declare that this shareholder proposal has been defeated. At this time, that concludes our business portion of the meeting. There being no further business, do I hear a motion for adjournment?

Unidentified Participant

[Audio Difficulties]

John Tyson

Is there a second?

Unidentified Participant

[Audio Difficulties]

John Tyson

I declare the business portion of our 54th Annual Shareholders Meeting adjourned.

So, a note to the audience. I don't think it will be necessary. Should somebody decide to interrupt, the first time you will not be recognized and we will ask you to please be seated. The second time you have spoken, we will ask you again to be please seated. And a third time, we hope we don't get to the third time. So, thank you.

Dennis Leatherby

Thank you, Mr. Chairman. Good morning. I'll begin by pointing out that our remarks today include forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties that could cause actual results to differ materially from our expectations. We encourage you to read our filings with the SEC for a discussion of the risks that can affect our business.

What can I say about 2016? It was a record year. We had operating income that was at a record adjusted operating income of \$2.8 billion, that's 26% year-over-year growth. Operating margin was 7.7%, again another record. More importantly, EPS was an adjusted \$4.39, that's 39% over a year earlier. Record operating cash flow of \$2.7 billion. We also had a record in our pork segment operating margin of 10.8%. Prepared foods had a record as well, 10% return on sales, and chicken came in at a very solid 11.9%. Beef came in at 2.4% return on sales. More importantly, it improved its operating income by \$400 million over the prior year.

With all the strong cash flow, we repurchased 28.2 million shares for \$1.7 billion. And finally, we were able to increase our dividend by 50%. The year-over-year dividend is moving from \$0.60 per share annually for the Class A shares to \$0.90 annually for the class A shares.

Q1 is not any different. It's another record, and we're on a record pace for 2017. We reported record EPS for our first quarter of \$1.59. That's up 38% over Q1 of '16. Our operating income was just shy of \$1 billion, at \$982 million. That's a 27% increase over Q1 a year ago. Operating cash flow continues to be strong at \$1.1 billion. And we ended the quarter with net debt to EBITDA at a nice 1.5x. Net debt is at \$5.7 billion, and we have \$1.6 billion in liquidity. And very importantly for me, our return on invested capital is at 19.9% for the last 12 months. That's back to pre-acquisition levels, so it's a good stewardship of our capital.

We also had total record company return on sales of 10.7%. That's the first time since we bought IPB in 2001 that we were able to achieve that in a quarter. And very importantly, our beef and pork segments had phenomenal quarters. They were all-time records. And chicken and prepared foods came in very solid.

And I will just wrap up with a few comments about 2017. We're expecting revenue to be about \$36 billion to \$37 billion. We expect nice volume growth across each of our segments, offset somewhat by lower beef prices.

We are investing heavily in growth. We expect to spend \$1 billion in capital spending this year. That's a considerable improvement, or increase over a year ago, as we see opportunities to drive not only operational improvements but to increase capacity to create long-term shareholder value. And my last comment is that we did increase our earnings per share to \$4.90 to \$5.05 from our original guidance of \$4.70 to \$4.85. This represents another record year, and a 12% to 15% increase in EPS over 2016.

Now I'd like to introduce you to Tom Hayes, our President and CEO.

Tom Hayes

Okay. Thank you very much, Dennis, and thank you for everybody joining us here today. I'm really happy to be here, and to be the President and CEO of Tyson Foods. It's a great responsibility. I feel humbled and excited every day that I have a chance to fulfill this role, and so grateful to our shareholders for the support, and looking forward to continuing to lead a company that has had a great amount of success.

It's a really amazing time at Tyson Foods. There's a lot going on. We have an enormous amount of opportunity ahead of us. As Dennis said, we had the best quarter in the company's history from a financial perspective this past quarter. Let's see some applause there, thank you.

But you know, that is fantastic, and we know we have a lot of work to do. And so, not just in the areas of the financial performance. We believe we do a great job, and we know we have an opportunity to improve every day. We've got a responsibility to our consumers, to our customers, to our farmers, to our, you know, every stakeholder that we deal with, and our investors importantly. We do all the things that we need to do right.

We will make a good outcome for our share owners and we know that is what we're supposed to do. What I would say as it relates to the things that are going on at Tyson, we have a tremendous team that is focused on not just doing things day in and day out well, but doing them better and better. You know, it's not a nameless, faceless company. There are lots of great team members--114,000 of them that are focused on doing the right thing. They are people. They are Lindsay. They are Nate. They are Dennis and John. People that really care about driving the company to a better space.

So, we make safe, high-quality food. That's what we do. We have a lot of fun doing it. We take it very seriously.

You know, when I think about the road ahead of us, the things that are very exciting is that we have a lot of innovation on our plate. Not just innovation in terms of the food products that we manufacture, but innovation in the way we work, how we are stewards of our environment. We make sure we take care of everything that's entrusted to us. And I couldn't be happier.

On behalf of the entire company and all 114,000 team members, to say that you have a really strong team that wants to do good stuff every day. They're going to intend to do it. Sometimes we will fail. That's okay. We're human. We understand that. But we come to work every day knowing that we can make each day better and better. We have a spirit of continuous improvement. We're going to embrace it. We're going to drive it. And we're going to make this year and the years ahead great years for Tyson Foods as a company.

So, with that I'll turn it over to the Chairman to finish up.

John Tyson

Well thank you Tom, thank you Dennis for your comments. Tom, welcome to the leadership role. You and your executive leadership team have some challenges in front of you, but a lot of great opportunities. I do believe they'll carry forward the ideals for the company that I set forth in last year's meeting.

The importance of the relationship from the farm to the consumer will continue to gain relevance with the promise of providing food that is quality food, sustainable food, safe food, affordable food, and available food. We recognize that responsibility. We also recognize the responsibility in our role in keeping that promise to our consumers, to our customers, to the communities where we live and operate, but most of all to the team members that make up this great company.

We have a responsibility to our team members to pay attention to their needs and their concerns. We are showing all of our people we value them by adjusting our compensation and benefits for everyone across the whole company. We are allocating more resources to our ongoing responsibilities to be the best that we can each and every day that we get up in the area of food safety, in the area of worker safety, in the area of animal wellbeing, and in the communities where we live and work because it's simply the right thing to do.

As Tom said, we won't get it right every day, but I can tell you we'll strive each and every day to get better. We will stay involved in those communities where we have our locations and where our people work. Without their success, we don't have success. So therefore, their success is simply important to us.

A lot of you all know me. Some of you don't. But I've been around this company most of my life. I have seen us evolve over time. We've got great people. We've got excellent people. I'm excited about what they're doing and what they're trying to do.

Decisions being made by this leadership team will lead us in the right direction for the next generation of the individuals that come behind us, and the next generation of my children who come behind me. I have a commitment to them, and we have a commitment as a family to you all.

I share with you that we will continue to do the right things. If we run our business well, our shareholders will be rewarded. We continue to add new and exciting chapters of the story of this great company, started a long time ago with Grandad and then with Dad, with me and with the generation to come behind. I look forward to the success of the leadership team and the executive leadership team, but most of all I look to the success of all of our team members, because without them, I don't have a job.

Thanks for coming. We'll see everybody next year. Travel safe.