



U.S. Department of Justice
United States Attorney's Office
Eastern District of Texas

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Tyler, Texas 75702

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Carl Hampe, Esq.
Baker & McKenzie LLP
815 Connecticut Avenue, NW
Washington, DC 20006-4078

December 30, 2009

Re: Pilgrim's Pride, Inc. Non-Prosecution Agreement

Dear Mr. Hampe:

On the understandings specified below, the United States Attorney's Office for the Eastern District of Texas ("the District") and Immigration & Customs Enforcement ("ICE") will not bring any criminal, civil, or administrative action against Pilgrim's Pride Corporation ("Pilgrim's Pride"), its divisions, subsidiaries, affiliates, or other related business entities, in the Eastern District of Texas, with respect to or relating to the employment of unauthorized aliens, including but not limited to, offenses arising under 8 USC § 1324 (alien smuggling crimes), and 8 USC §1324a (unlawful employment of aliens); and with respect to or relating to any federal document fraud or misuse statutes, including, but not limited to, those described at 18 USC §1546 (fraud and misuse of visas, etc.), 18 USC §1028 (fraud and identity theft crimes), and 18 USC §1028A (aggravated identity theft crimes). This Agreement applies to conduct that occurred prior to the execution of this Agreement. This Agreement specifically excepts criminal tax violations, which are under the jurisdiction of the Tax Division and cannot be negotiated by the District.

The District and ICE agree that their investigation of Pilgrim's Pride and its current or former employees (including officers and directors) with respect to or relating to the employment of unauthorized aliens, as described in the preceding paragraph, will end upon the execution of this Agreement.

This Agreement does not provide any protection against prosecution for any crimes except as set forth above, and such protection against prosecution applies only to Pilgrim's Pride and its direct and indirect subsidiaries, and not to any other entities nor any other individuals.

Pilgrim's Pride expressly understands that the protections provided to it by this Agreement shall not apply to any successor entities, whether the successor's interest arises through a merger or plan of reorganization, unless and until such successor formally adopts and executes this Agreement. The protections arising from this Agreement will not apply to any purchaser of all or substantially all of the assets of Pilgrim's Pride, unless such purchaser enters into a written agreement, on terms acceptable to this Office, agreeing in substance to undertake all obligations set forth in this Agreement and the related Compliance Agreement. Without limiting the effect of any other provision of this agreement, the District understands and Pilgrim's Pride agrees that should Pilgrim's Pride acquire, directly or indirectly, another entity, via merger, purchase of all or substantially all of its assets or otherwise, Pilgrim's Pride will make reasonable efforts to, and will be afforded a prudent period of time to, ensure that the newly-acquired entity adopts and implements an immigration compliance program substantially similar in substance to that adopted by Pilgrim's Pride to date.

It is understood that the District, ICE and Pilgrim's Pride accept and acknowledge the facts as set forth in Exhibit A, which is incorporated herein by reference. Pilgrim's Pride further agrees that neither it nor its subsidiaries, through its present or future board of directors, attorneys, officers, agents, or management employees, will make any public statements contradicting any of the facts as set forth in Exhibit A, and neither will the District or ICE.

It is further understood that Pilgrim's Pride shall adhere to the new procedures adopted as set forth in Exhibit B, the Compliance Plan, to prevent future violations of the immigration laws, and review existing procedures, books and records, and policies to ensure internal controls exist which are designed to prevent the hiring or continued employment of unauthorized aliens.

This Agreement, and Pilgrim's Pride's obligations hereunder, shall remain in effect for a term of sixty (60) months from the day this Agreement is executed.

It is understood that Pilgrim's Pride agrees to pay a sum of \$ 4,500,000 to the United States Department of Treasury as a monetary payment to resolve the criminal investigation and for the purpose of promoting future law enforcement programs and activities in this field by ICE and such other purposes as may be allowed by statute. The payment shall be made in four installments of one million one hundred twenty-five thousand dollars (\$ 1,125,000) each as follows: (a) the first payment shall be due within 30 days of the approval of this Agreement; (b) the second payment shall be due 30 days following the first anniversary of this Agreement; (c) the third payment shall be due 30 days following the second anniversary of this Agreement; and (d) the fourth payment shall be due 30 days following the third anniversary of this Agreement. Pilgrim's Pride agrees to waive all right, title, and interest to any funds deposited, to waive any notice requirements established by law or the Constitution, and to cooperate fully with the United States Attorney in any administrative actions taken by the United States to deposit these funds. In the event that this Non-Prosecution Agreement is terminated prior to its full term, any further obligation of Pilgrim's Pride to make payments hereunder shall

cease; however, Pilgrim's Pride shall not be entitled to recover any sums already paid. Specifically, Pilgrim's Pride agrees and stipulates that the payment of any sums as provided herein constitutes payment as part of an agreement with this District to enter a Non-Prosecution Agreement, an agreement which Pilgrim's Pride acknowledges is of value, that a knowing violation of this Non-Prosecution Agreement will constitute a waiver to any claims previously paid pursuant to this Agreement, and that Pilgrim's Pride may plead intervention, offset or any other legal theory seeking credit for these payments in any future civil, criminal, or administrative proceeding in this District or any other jurisdiction.

It is understood that the terms of this Agreement shall be enforceable in the appropriate U.S. District Court.

Nothing in this Agreement shall be construed as a waiver of any attorney-client or work-product privileges. The District has not sought and has not received any waiver of any attorney-client or work-product privileges. The District acknowledges that Pilgrim's Pride has cooperated and has voluntarily responded to requests for non-privileged information. The parties agree that nothing in the Non-Prosecution Agreement or any other documents filed herein is, or should be in any way construed as, an acknowledgment of any civil liability or criminal culpability on the part of Pilgrim's Pride or any of its directors, officers, management, or other employees.

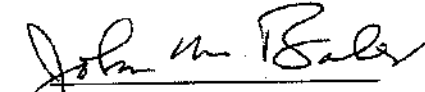
It is further understood that this Agreement does not bind any federal, state, or local prosecuting authority other than the District and ICE (and does not bind ICE outside the district with respect to federal contracting compliance). The District and ICE will, however, bring the cooperation of Pilgrim's Pride to the attention of other prosecuting and other investigative officers if requested by Pilgrim's Pride.

It is further understood that Pilgrim's Pride and/or the District and ICE may disclose this Agreement and Exhibit A, the Factual Statement, to the public, but that all parties agree to maintain Exhibit B, the Compliance Plan, confidential and proprietary.

With respect to this matter, from the date of the execution of this Agreement forward, the Agreement supersedes all prior understandings, promises and/or conditions, if any, between the District, ICE and Pilgrim's Pride. No additional promises, agreements, and conditions have been entered into other than those set forth in this letter and referenced Exhibits, and none will be entered into unless in writing and signed by all parties.

This agreement may be executed in multiple originals.

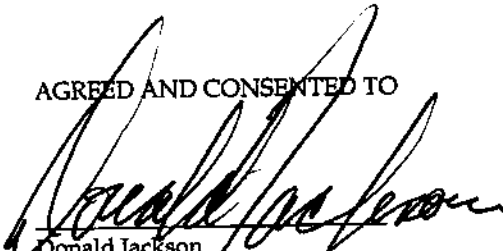
Sincerely,


John M. Bales
United States Attorney
Eastern District of Texas

John Chakwin
Special Agent In Charge
Dallas Office
Immigration and Customs Enforcement

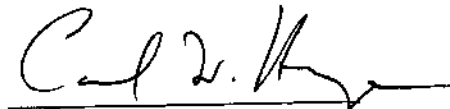
DATE

AGREED AND CONSENTED TO


Donald Jackson
Chief Executive Officer
Pilgrim's Pride Corporation

12-30-09
DATE

APPROVED


Carl W. Hampe, Esq.
Attorney for Pilgrim's Pride Corporation

12/30/09
DATE

FACTUAL STATEMENT

In support of the Non-Prosecution Agreement dated December 30, 2009, the United States Attorney's Office for the Eastern District of Texas (the "District") and Pilgrim's Pride Corporation, its subsidiaries, divisions, and affiliates (hereinafter referred to as "Pilgrim's Pride") agree to the following factual statements:

The District and the United States Immigration and Customs Enforcement (hereinafter referred to as "ICE") seek to prevent and deter the employment of unauthorized aliens, pursuant to Title 8, United States Code, Section 1324a(f)(2).

Title 8, United States Code, Section 1324a, prohibits persons and entities from knowingly recruiting, hiring, or continuing to employ aliens who are not legally authorized under federal law to work within the United States.

Pilgrim's Pride is a Delaware Corporation headquartered in Pittsburg, Texas, and is one of the largest chicken processing companies in the United States, and the second-largest in Mexico, and employs approximately 41,000 people in the United States and Mexico and operates facilities throughout the United States, including facilities within the Eastern District of Texas.

From shortly after the publication of "best hiring practices" by ICE in June 2006, Pilgrim's Pride has made a good faith effort to implement such practices throughout its U. S. facilities. Pilgrim's Pride has hired and continues to hire individuals to work at its chicken processing facilities in the Eastern District of Texas and elsewhere.

Based on investigations conducted by ICE in late 2006 and early 2007, ICE had probable cause to believe that a substantial number of unauthorized aliens were employed at several Pilgrim's Pride facilities in multiple states. Beginning in July 2007, ICE began investigating, with Pilgrim's Pride's cooperation, the existence of unauthorized aliens in Pilgrim's Pride's work force. Beginning in August 2007, and continuing through April 2008, ICE, with the cooperation of Pilgrim's Pride, conducted worksite enforcement and identity theft investigations at Pilgrim's Pride facilities in Moorefield, W.Va. (August 2007); Mount Pleasant, Texas, Pittsburg, Texas, and Moorefield, W.Va. (December 2007); Mount Pleasant, Texas; Live Oak, Fla.; Chattanooga, Tenn.; Batesville, Ark.; and Moorefield, W. Va. (April 2008).

As a result of these actions, a total of approximately 338 aliens who were illegally present in the United States were apprehended. Regarding the facilities in the Eastern District of Texas, ICE reviewed social security numbers of employees at Pilgrim's Pride's facilities in the Eastern District of Texas and had reason to believe that hundreds of additional aliens employed by Pilgrim's Pride who were not authorized to work in the United States were not apprehended.

Pilgrim's Pride has cooperated and has demonstrated a desire to continue to cooperate in investigating the presence of unauthorized aliens in its work force and address maximizing its ability to detect unauthorized aliens seeking or obtaining employment with Pilgrim's Pride. Pilgrim's Pride recognizes that its voluntary compliance programs can be enhanced to more accurately identify unauthorized aliens who seek or gain employment through identity fraud or

other unlawful means.

This District and Pilgrim's Pride have concluded that a Non-Prosecution Agreement is an appropriate resolution of the investigation against Pilgrim's Pride. Pilgrim's Pride will continue its ongoing immigration-related compliance program in order to avoid the hiring or continued employment of unauthorized aliens. The parties agree that nothing in the Non-Prosecution Agreement or any other documents filed herein is, or should be in any way construed as, an acknowledgment of any civil liability or criminal culpability on the part of Pilgrim's Pride or any of its directors, officers, management, or other employees.