

**IBP INC**  
Filed by  
**TYSON FOODS INC**

**FORM SC TO-T**  
(Tender offer statement by Third Party)

Filed 12/12/00

Address	800 STEVENS PORT DR DAKOTA DUNES, SD 57049
Telephone	4024942061
CIK	0000052477
SIC Code	2011 - Meat Packing Plants
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	12/26

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

---

**SCHEDULE TO  
(RULE 14d-100)**

Tender Offer Statement Pursuant to Section 14(d)(1) or 13(e)(1) of  
the Securities Exchange Act of 1934

**IBP, INC.**  
(Name of Subject Company)

**LASSO ACQUISITION CORPORATION  
TYSON FOODS, INC.**  
(Name of Filing Persons-Offerrer)

**COMMON STOCK, PAR VALUE \$.05 PER SHARE**  
(Title of Class of Securities)

---

449223106  
(Cusip Number of Class of Securities)

**LES BALEDGE  
TYSON FOODS, INC.**  
2210 West Oakland Drive  
Springdale, Arkansas 72762-6999  
Telephone: (501) 290-4000  
(Name, Address and Telephone Number of Person Authorized to Receive Notices  
and Communications on Behalf of Filing Persons)

Copies to:  
Mel M. Immergut  
Lawrence Lederman  
Milbank, Tweed, Hadley & McCloy LLP  
One Chase Manhattan Plaza  
New York, New York 10005  
Telephone: (212) 530-5000

**CALCULATION OF FILING FEE**

Transaction valuation*	Amount of filing fee
\$1,360,751,011	\$272,150.20

\* Estimated for purposes of calculating the amount of the filing fee only. The amount assumes the purchase of a total of 52,336,577 shares of the outstanding common stock, par value \$0.05 per share (the "Shares"), of IBP, inc., at a price per Share of \$26.00 in cash. Such number of Shares, together with the 574,200 Shares owned by Tyson Foods, Inc., represents approximately 50.1% of the 105,610,334 Shares outstanding as of November 1, 2000 (as reported in IBP, inc's Form 10-Q for the 39 weeks ended September 23, 2000).

Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

**Amount Previously Paid: Filing Party:**

**Form or Registration No.: Date Filed:**

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

---

---

Items 1 through 9, and Item 11.

This Tender Offer Statement on Schedule TO is filed by Tyson Foods, Inc., a Delaware corporation ("Tyson"), and Lasso Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly-owned subsidiary of Tyson. This Schedule TO relates to the offer by Tyson through Purchaser, to purchase a number of shares of common stock, par value \$.05 per share (the "Shares"), of IBP, inc., a Delaware corporation ("Company"), which, together with the 574,200 Shares owned by Tyson, represent 50.1% of the outstanding Shares, at \$26.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 12, 2000 (the "Offer to Purchase"), and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). The information set forth in the Offer to Purchase and the related Letter of Transmittal is incorporated herein by reference with respect to Items 1 through 9 and 11 of this Schedule TO.

**Item 10. Financial Statements.**

Not applicable.

**Item 12. Exhibits.**

- (a)(1) Offer to Purchase dated December 12, 2000.
- (a)(2) Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
- (a)(3) Notice of Guaranteed Delivery.
- (a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(6) Form of summary advertisement dated December 12, 2000.
- (a)(7) Press Release issued by Tyson, dated December 11, 2000.
- (d)(1) Confidentiality Agreement between Parent and the Company dated December 4, 2000.
- (d)(2) Proposed form of Merger Agreement to be entered into by and among Tyson, Purchaser and the Company.

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

**TYSON FOODS, INC.**

*/s/ LES BALEDGE*

\_\_\_\_\_  
*(Signature)*

Les Baledge, Executive Vice President and General Counsel

(Name and Title)

December 12, 2000

(Date)

**LASSO ACQUISITION CORPORATION**

*/s/ LES BALEDGE*

\_\_\_\_\_  
*(Signature)*

Les Baledge, Executive Vice President

(Name and Title)

December 12, 2000

(Date)

## EXHIBIT INDEX

Exhibit No.

- 
- (a)(1) Offer to Purchase dated December 12, 2000.
  - (a)(2) Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).
  - (a)(3) Notice of Guaranteed Delivery.
  - (a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
  - (a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
  - (a)(6) Form of summary advertisement dated December 12, 2000.
  - (a)(7) Press Release issued by Tyson, dated December 11, 2000.
  - (d)(1) Confidentiality Agreement between Parent and the Company dated December 4, 2000.
  - (d)(2) Proposed form of Merger Agreement to be entered into by and among Tyson, Purchaser and the Company.

Offer to Purchase for Cash up to 50.1% of the Outstanding Shares of Common Stock

of

IBP, inc.

at

**\$26.00 Net Per Share**

by

Lasso Acquisition Corporation,  
a wholly-owned subsidiary of

**Tyson Foods, Inc.**

---

THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JANUARY 10, 2001, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS PART OF A PROPOSAL TO ACQUIRE ALL OF THE OUTSTANDING SHARES IN A NEGOTIATED TRANSACTION. A SPECIAL COMMITTEE OF INDEPENDENT DIRECTORS OF IBP, INC. (THE "COMPANY") IS CURRENTLY EVALUATING VARIOUS ACQUISITION PROPOSALS, INCLUDING THE PROPOSAL OF TYSON FOODS, INC. ("TYSON"). AS PART OF THE PROCESS, TYSON ENTERED INTO A CONFIDENTIALITY AGREEMENT WITH THE COMPANY THAT PERMITS TYSON TO MAKE THIS OFFER. TYSON IS COMMENCING THIS OFFER AT THIS TIME IN ORDER TO BEGIN TO CLEAR REGULATORY HURDLES AND TO GIVE THE COMPANY'S STOCKHOLDERS THE OPPORTUNITY, IF AND WHEN TYSON AND THE COMPANY ENTER INTO A MERGER AGREEMENT AS PROPOSED BY TYSON, TO RECEIVE QUICKLY THE CASH CONSIDERATION OFFERED BY TYSON.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION DATE OF THE OFFER A NUMBER OF SHARES OF COMMON STOCK, PAR VALUE \$0.05 PER SHARE (THE "SHARES"), OF THE COMPANY REPRESENTING, TOGETHER WITH THE SHARES OWNED BY TYSON, AT LEAST 50.1% OF THE TOTAL NUMBER OF OUTSTANDING SHARES (THE "MINIMUM CONDITION"); (2) TYSON BEING SATISFIED, IN ITS SOLE DISCRETION, THAT THE AGREEMENT AND PLAN OF MERGER DATED OCTOBER 1, 2000 AMONG THE COMPANY, RAWHIDE HOLDINGS CORPORATION AND RAWHIDE ACQUISITION CORPORATION HAS BEEN TERMINATED AND THE EXECUTION OF A DEFINITIVE MERGER AGREEMENT, IN A FORM SATISFACTORY TO TYSON IN ITS SOLE DISCRETION, AMONG THE COMPANY, TYSON AND LASSO ACQUISITION CORPORATION ("PURCHASER") (THE "MERGER AGREEMENT CONDITION"); (3) TYSON BEING SATISFIED, IN ITS SOLE DISCRETION, THAT THE PROVISIONS OF SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW DO NOT APPLY TO OR OTHERWISE RESTRICT TYSON'S OFFER AND THE PROPOSED MERGER WITH THE COMPANY (THE "SECTION 203 CONDITION"); AND (4) ANY WAITING PERIODS UNDER APPLICABLE ANTITRUST LAWS HAVING EXPIRED OR BEEN TERMINATED. THE OFFER IS ALSO SUBJECT TO OTHER CONDITIONS. SEE "INTRODUCTION" AND "THE OFFER--CONDITIONS TO THE OFFER".

---

**THIS OFFER IS NOT CONDITIONED UPON TYSON OR PURCHASER OBTAINING FINANCING.**

---

Tyson has delivered to the Company a form of merger agreement, which is summarized herein. Tyson intends to continue to seek to negotiate with the Company with respect to the acquisition of the Company based on this form of merger agreement. If such negotiations result in a definitive merger agreement between the Company and Tyson, certain material terms of the Offer may change. Accordingly, such negotiations could result in, among other things, modification, extension or termination of the Offer and submission of a different acquisition proposal to the Company's stockholders for approval.

If you wish to tender all or any part of your Shares, you should either (i) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letter of Transmittal, have your signature thereon guaranteed if required by Instruction 1 to the Letter of Transmittal, mail or deliver the Letter of Transmittal (or such facsimile thereof) and any other required documents to the Depository (as defined herein) and either deliver the certificates for such Shares to the Depository along with the Letter of Transmittal (or a facsimile thereof) or deliver such Shares pursuant to the procedures for book-entry transfers set forth in Section 4 prior to the expiration date of the Offer or (ii) request your broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If you have Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact such broker, dealer, commercial bank, trust company or other nominee if you desire to tender your Shares.

If you desire to tender your Shares and your certificates for such Shares are not immediately available, or you cannot comply with the procedures for book-entry transfers described in this Offer to Purchase on a timely basis, you may tender such Shares by following the procedures for guaranteed delivery set forth in Section 4.

A summary of the principal terms of the Offer appears on pages 1-6 hereof.

If you have questions about the Offer, you can call MacKenzie Partners, Inc., the information agent for the Offer, or Merrill Lynch, Pierce, Fenner & Smith Incorporated, the dealer manager for the Offer, at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. You can also obtain additional copies of this Offer to Purchase, the related Letter of Transmittal and the Notice of Guaranteed Delivery from MacKenzie Partners, Inc., or your broker, dealer, commercial bank, trust company or other nominee.

**THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION, AND YOU SHOULD CAREFULLY READ BOTH IN THEIR ENTIRETY BEFORE YOU MAKE A DECISION WITH RESPECT TO THE OFFER.**

---

**The Dealer Manager for the Offer is:**

**Merrill Lynch & Co.**

December 12, 2000

---

# TABLE OF CONTENTS

---

	Page
SUMMARY TERM SHEET.....	1
INTRODUCTION.....	6
THE OFFER.....	8
1. Terms of the Offer; Expiration Date.....	8
2. Extension of Tender Period; Termination; Amendment.....	8
3. Acceptance for Payment and Payment.....	9
4. Procedure for Tendering Shares.....	10
5. Withdrawal Rights.....	12
6. Material Tax Considerations.....	12
7. Price Range of Shares; Dividends.....	14
8. Certain Information Concerning the Company.....	15
9. Certain Information Concerning Purchaser and Tyson.....	15
10. Source and Amount of Funds.....	17
11. Background of the Offer; Proposed Merger Agreement.....	17
12. Purpose and Structure of the Offer; Plans for the Company; Dissenters' Rights.....	30
13. Effect of the Offer on the Market for the Shares; Stock Exchange Listing(s); Registration under the Exchange Act.....	30
14. Dividends and Distributions.....	32
15. Conditions to the Offer.....	32
16. Certain Legal Matters; Regulatory Approvals.....	33
17. Fees and Expenses.....	35
18. Miscellaneous.....	35
Schedule I--Directors and Executive Officers of Tyson and Purchaser.....	37
Schedule II--Transactions In Shares.....	40

## SUMMARY TERM SHEET

This summary term sheet is a brief description of the material provisions of the Offer being made by Tyson Foods, Inc. ("Tyson") through Lasso Acquisition Corporation ("Purchaser"), a wholly-owned subsidiary of Tyson, to purchase up to 50.1% of the common stock, par value \$0.05 per share, (the "Common Stock" or "Shares"), of IBP, inc. (the "Company") for \$26.00 per Share net to the seller in cash, without interest. The following are some of the questions you, as a stockholder of the Company, may have and answers to those questions. You should carefully read this Offer to Purchase and the accompanying Letter of Transmittal in their entirety because the information in this summary term sheet is not complete and additional important information is contained in the remainder of this Offer to Purchase and the Letter of Transmittal.

Who is offering to buy my securities? Why?

Our name is Tyson Foods, Inc. We are a Delaware corporation and are making the Offer through our wholly-owned subsidiary, Lasso Acquisition Corporation, a Delaware corporation, which was formed for the purpose of making a tender offer for the Shares. The tender offer is the first step in our plan to acquire all of the outstanding Shares.

What are the classes and amounts of securities sought in the Offer?

We are seeking to purchase up to the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares. Tyson owns 574,200 Shares. The Company's last public disclosure stated that 105,610,334 Shares were outstanding as of November 1, 2000.

What will happen if more than 50.1% of the outstanding Shares are validly tendered and not withdrawn prior to the expiration date of the Offer?

If more than the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares are validly tendered and not withdrawn prior to the expiration date of the Offer, we will accept for payment and pay for only the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares on a pro rata basis (with appropriate adjustments to avoid purchase of fractional Shares) based on the number of Shares properly tendered by each stockholder prior to or on the expiration date of the Offer. Preliminary results of proration will be announced by press release as promptly as practicable after the expiration date of the Offer. Stockholders may obtain such preliminary information from MacKenzie Partners, Inc., the information agent for the Offer, and may be able to obtain such information from their broker.

How much are you offering to pay for my securities and what is the form of payment? Will I have to pay any fees or commissions?

We are offering to pay \$26.00 per Share, net to you, in cash, without interest. If you tender your Shares to us in the Offer, you will not have to pay brokerage fees, commissions or similar expenses. If you own your Shares through a broker or other nominee, and your broker tenders your Shares on your behalf, your broker or nominee may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply.

Do you have the financial resources to make payment?

Yes. We will need approximately \$1.4 billion to purchase all Shares pursuant to the Offer and to pay related fees and expenses. It is anticipated that such funds will be obtained from Tyson's general corporate funds and from Tyson's existing commercial paper program. Tyson's existing revolving credit facility provides a back-stop for the issuance of up to \$1 billion in commercial paper. Tyson has received proposals from various financial institutions to provide a new 364-day term credit facility, which, when combined with its existing revolving credit facility, would provide a back-stop for the issuance of up to an additional \$2 billion in commercial paper to fund the acquisition. As of December 11, 2000, the outstanding borrowings under the commercial paper program were approximately \$300 million and the weighted average interest rate on such commercial paper was 7.02%, with maturities ranging from 3 to 30 days.

Is your financial condition relevant to my decision to tender in the Offer?

Because the form of payment in the Offer consists solely of cash and the Offer is not subject to a financing condition, we do not think our financial condition is material to your decision whether to tender in the Offer. However, as noted below, if you do not tender in the Offer, in the subsequent merger (if it occurs), you will receive, for each Share you hold, shares of Tyson Class A Common Stock having a value of \$26.00 if, during the relevant pricing period before the merger, the average per share price of Tyson Class A Common Stock is at least \$12.60 and no more than \$15.40. This \$26.00 value is subject to adjustment as noted in the Offer to Purchase if the average per share price of Tyson Class A Common Stock during the pricing period is not in that range. If you would like additional information about our financial condition, please see "Certain Information Concerning Purchaser and Tyson-- Available Information."

How long do I have to decide whether to tender in the Offer?

You have until at least 12:00 Midnight, New York City time, on Wednesday, January 10, 2001, to decide whether to tender your Shares in the Offer. Further, if you cannot deliver everything required to make a valid tender to Wilmington Trust Company, the depository for the Offer, prior to such time, you may be able to use a guaranteed delivery procedure, which is described in "The Offer--Procedure for Tendering Shares."

Can the Offer be extended and under what circumstances?

We may, in our sole discretion, extend the Offer at any time or from time to time. We might extend, for instance, if any of the conditions specified in "The Offer--Conditions to the Offer" are not satisfied prior to the expiration date of the Offer.

How will I be notified if the Offer is extended?

If we decide to extend the Offer, we will inform Wilmington Trust Company, the depository for the Offer, of that fact and will make a public announcement of the extension, not later than 9:00 a.m., New York City time, on the business day after the day on which the Offer was scheduled to expire.

What are the most significant conditions to the Offer?

The most important conditions to the Offer are the following:

- . That the Company's stockholders validly tender and do not withdraw prior to the expiration date of the Offer the number of Shares representing, together with the Shares owned by Tyson, at least 50.1% of the total number of outstanding Shares.
- . That Tyson is satisfied, in its sole discretion, that the Agreement and Plan of Merger dated October 1, 2000 among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation has been terminated and that the Company, Tyson and Purchaser have executed a definitive merger agreement in a form satisfactory to Tyson in its sole discretion.
- . That Tyson is satisfied, in its sole discretion, that the provisions of Section 203 of the Delaware General Corporation Law do not apply to or otherwise restrict our Offer and the Proposed Merger (as define below).
- . That any waiting periods under applicable antitrust laws have expired or have been terminated.

For a complete list of the conditions to the Offer, see "The Offer--Conditions to the Offer".

How do I tender my Shares?

To tender Shares, you must deliver the certificates representing your Shares, together with a completed Letter of Transmittal, to Wilmington Trust Company, the depository for the Offer, not later than the time the Offer expires. If your Shares are held in street name by your broker, dealer, bank, trust company or other

nominee, such nominee can tender your Shares through The Depository Trust Company. If you cannot deliver everything required to make a valid tender to the depository prior to the expiration date of the Offer, you may have a limited amount of additional time by having a broker, a bank or other fiduciary which is a member of the Securities Transfer Agents Medallion Program or other eligible institution to guarantee that the missing items will be received by the depository within three New York Stock Exchange, Inc., or NYSE, trading days. However, the depository must receive the missing items within that three trading day period.

Until what time can I withdraw tendered Shares?

You can withdraw tendered Shares at any time until the Offer has expired and, if we have not by February 9, 2001, agreed to accept your Shares for payment, you can withdraw them at any time after such time until we accept Shares for payment.

How do I withdraw tendered Shares?

To withdraw Shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to Wilmington Trust Company, the depository for the Offer, while you have the right to withdraw the Shares.

When and how will I be paid for my tendered Shares?

Subject to the terms and conditions of the Offer, we will pay for all validly tendered and not withdrawn Shares, subject to the proration provisions noted in the Offer to Purchase, promptly after the expiration date of the Offer, subject to the satisfaction or waiver of the conditions to the Offer, as set forth in "The Offer--Conditions to the Offer." We do, however, reserve the right, in our sole discretion, to delay payment for Shares pending receipt of any regulatory or governmental approvals to the Offer as described under the caption "The Offer--Certain Legal Matters; Regulatory Approvals". We will pay for your validly tendered and not withdrawn Shares by depositing the purchase price with Wilmington Trust Company, the depository for the Offer, which will act as your agent for the purpose of receiving payments from us and transmitting such payments to you. In all cases, payment for tendered Shares will be made only after timely receipt by Wilmington Trust Company of certificates for such Shares (or of a confirmation of a book-entry transfer of such Shares as described in "The Offer--Procedure for Tendering Shares"), a properly completed and duly executed Letter of Transmittal and any other required documents for such Shares.

What does the board of directors of the Company think of this Offer?

The special committee of the board of directors of the Company has responded to our original proposal by entering into a confidentiality agreement with us and providing access to due diligence. For more information, see "Background of the Offer; Proposed Merger Agreement". However, the Company's board of directors has not approved the Offer or otherwise commented on it as of the date of mailing of this Offer to Purchase. Within ten business days after the date of this Offer, the Company is required by law to publish, send or give to you (and file with the Securities and Exchange Commission ("SEC")) a statement as to whether it recommends acceptance or rejection of this Offer, that it has no opinion with respect to this Offer or that it is unable to take a position with respect to this Offer.

Will the Offer be followed by a merger?

If we enter into a merger agreement with the Company and if we accept for payment and pay for the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares (or fewer Shares, if we waive the Minimum Condition), we intend to consummate a second step merger with the Company in which the Company is expected to be merged with and into the Purchaser to become a wholly-owned subsidiary of Tyson. Additionally, if we accept for payment and pay for the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares, we would have sufficient voting power to approve the merger without the affirmative vote of any other stockholder of the Company. If that merger takes place, Tyson

will own all of the Shares and all remaining stockholders (other than Tyson, Purchaser, or other subsidiaries of Tyson) will receive, for each Share they hold, shares of Tyson Class A Common Stock having a value of \$26.00 if, during the relevant pricing period before the merger, the average per share price of Tyson Class A Common Stock is at least \$12.60 and no more than \$15.40. This \$26.00 value is subject to adjustment if the average per share price of Tyson Class A Common Stock during the pricing period is not in that range.

If the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares are tendered and accepted for payment, will the Company continue as a public company?

Yes; however, if and when the merger takes place, the Company will no longer be publicly owned. It is possible that, following the expiration date of the Offer and prior to the merger, if we purchase all the tendered Shares, there may be so few remaining stockholders and publicly held Shares that the Shares will no longer be eligible to be traded on the NYSE or any other securities exchange, there may not be an active public trading market (or, possibly, any public trading market) for the Shares, and the Company may cease making filings with the SEC or otherwise cease being required to comply with the SEC rules relating to publicly held companies.

If I decide not to tender, how will the Offer affect my Shares?

As indicated above, if the Offer is successful, we expect to conclude a merger transaction in which all stockholders not tendering in the Offer (other than Tyson, Purchaser and any other subsidiary of Tyson) will receive, for each Share they hold, shares of Tyson Class A Common Stock having a value of \$26.00 if, during the relevant pricing period before the merger, the average per share price of Tyson Class A Common Stock is at least \$12.60 and no more than \$15.40. This \$26.00 value is subject to adjustment if the average per share price of Tyson Class A Common Stock during the pricing period is not in that range. Therefore, if the merger takes place and Tyson Class A Common Stock has traded in that range, the difference to you between tendering your Shares and not tendering your Shares is that you will be paid in cash if you tender your Shares in the Offer and will receive shares of Tyson Class A Common Stock in exchange for your Shares if you do not tender in the Offer. If Tyson Class A Common Stock has not traded in that range, the difference to you is that you would receive \$26.00 per share in cash if you tender your Shares in the Offer, but will receive shares of Tyson Class A Common Stock having a value of more than \$26.00 per Share if the average price is more than \$15.40 or having a value of less than \$26.00 per Share if the average price is less than \$12.60. However, if the merger does not take place and the Offer is consummated, the number of stockholders and Shares that are still in the hands of the public may be so small that there will no longer be an active public trading market (or, possibly, any public trading market) for the Shares, which may affect prices at which Shares trade. Also, as described above, the Company may cease making filings with the SEC or otherwise being required to comply with the SEC rules relating to publicly held companies.

Are appraisal rights available in either the Offer or the merger?

Appraisal rights are not available in the Offer. Appraisal rights will not be available to holders of the Shares in connection with the proposed merger if both of the following are true:

- . if at the date fixed to determine the stockholders entitled to notice of and to vote on the proposed merger, the Shares are registered on a national securities exchange or traded on Nasdaq, and
- . if the shares of Tyson Class A Common Stock at the effective time of the proposed merger are either listed on a national securities exchange or traded on Nasdaq.

As of the date of this Offer to Purchase, the Shares and the Tyson Class A Common Stock are each listed on the NYSE.

What is the market value of my Shares as of a recent date?

On September 29, 2000, the last full trading day before the date the Company entered into the Agreement and Plan of Merger dated October 1, 2000 among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation, the closing price of a Share of the Company was \$18.31. On November 10, 2000, the last full trading day before the date Smithfield Foods, Inc. made its unsolicited proposal to the special committee of the board of directors of the Company for a stock-for-stock merger, the closing price of a Share of the Company was \$20.88.

Between January 1, 2000 and December 11, 2000, the closing price of a Share ranged between \$11.19 and \$25.88, and on December 11, 2000, the last full trading day before the date of this Offer to Purchase, the closing price of a Share of the Company was \$25.88. We advise you to obtain a recent quotation for Shares before deciding whether to tender your Shares.

Who can I talk to if I have questions about the Offer?

You can call MacKenzie Partners, Inc., the information agent for the Offer, at (800) 322-2885 (toll free) or Merrill Lynch, Pierce, Fenner & Smith Incorporated, the dealer manager for the Offer, at (212) 236-3790 (call collect).

## **INTRODUCTION**

We, Tyson Foods, Inc., a Delaware corporation ("Tyson"), through our wholly owned subsidiary Lasso Acquisition Corporation, a Delaware corporation ("Purchaser"), hereby offer to purchase up to the number of Shares that represent, together with Shares owned by Tyson, 50.1% (the "Maximum Amount") of the outstanding common stock, par value \$0.05 per share (the "Shares"), of IBP, inc., a Delaware corporation (the "Company"), at \$26.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together, as amended, supplemented or otherwise modified from time to time, constitute the "Offer"). You will not be obligated to pay brokerage fees, commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the sale of Shares pursuant to the Offer. We will pay all charges and expenses of Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Dealer Manager" or "Merrill Lynch"), Wilmington Trust Company (the "Depository") and MacKenzie Partners, Inc. (the "Information Agent") incurred in connection with the Offer. See "The Offer--Fees and Expenses".

The purpose of the Offer and the proposed second-step merger is to enable Tyson to acquire control of, and the entire equity interest in, the Company. Tyson has delivered to the Company a form of merger agreement, which is summarized herein. Tyson intends to continue to seek to negotiate with the Company with respect to the acquisition of the Company based on such form of merger agreement. If such negotiations result in a definitive merger agreement between the Company and Tyson, certain material terms of the Offer may change. Accordingly, such negotiations could result in, among other things, modification, extension or termination of the Offer and submission of a different acquisition proposal to the Company's stockholders for approval. Tyson currently intends, as soon as practicable following consummation of the Offer, to seek to have the Company consummate a merger with and into Purchaser with the Purchaser continuing as the surviving corporation (the "Proposed Merger"), pursuant to which each then remaining Share outstanding (other than Shares owned by Tyson, Purchaser or other subsidiaries of Tyson) would be converted into the right to receive shares of Class A common stock, par value \$0.10 per share, of Tyson ("Tyson Class A Common Stock") having a value of \$26.00 if, during the relevant pricing period before the Proposed Merger, the average per share price of Tyson Class A Common Stock is at least \$12.60 and no more than \$15.40. If Tyson Class A Common Stock has not traded in that range, the difference to you is that you would receive \$26.00 per share in cash if you tender your Shares in the Offer, but will receive shares of Tyson Class A Common Stock having a value of more than \$26.00 per Share if the average price is more than \$15.40 or having a value of less than \$26.00 per Share if the average price is less than \$12.60. This \$26.00 value is subject to change if the average per share price of Tyson Class A Common Stock is not in that range and the value you will receive will be proportionately changed.

The Offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn prior to the expiration date of the Offer a number of Shares representing, together with the Shares owned by Tyson, at least 50.1% of the total number of outstanding Shares (the "Minimum Condition"); (2) Tyson being satisfied, in its sole discretion, that the Agreement and Plan of Merger dated October 1, 2000 among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation (the "Rawhide Agreement") has been terminated and the execution of a definitive merger agreement, in form satisfactory to Tyson in its sole discretion, among the Company, Tyson and Purchaser (the "Merger Agreement Condition"); (3) Tyson being satisfied, in its sole discretion, that the provisions of Section 203 of the Delaware General Corporation Law ("DGCL") do not apply to or otherwise restrict Tyson's Offer and the Proposed Merger with the Company (the "Section 203 Condition"); and (4) any waiting periods under applicable antitrust laws having expired or been terminated. The Offer is also subject to other conditions.

In the event the Offer is terminated or not consummated, or after the expiration date of the Offer and pending the consummation of the Proposed Merger, in accordance with applicable law and subject to the terms of a confidentiality agreement entered into with the Company and any merger agreement that it may enter into

with the Company, Tyson may explore any and all options which may be available. In this regard, and after expiration or termination of the Offer, Tyson may seek to acquire additional Shares, through open market purchases, privately negotiated transactions, a tender offer or exchange offer or otherwise, upon such terms and at such prices as Tyson may determine, which, in the case of Shares, may be more or less than the price to be paid per Share pursuant to the Offer and could be for cash or other consideration.

THE OFFER DOES NOT CONSTITUTE A SOLICITATION OF PROXIES FOR ANY MEETING OF STOCKHOLDERS OF THE COMPANY OR ANY OFFER TO SELL OR SOLICITATION OF OFFERS TO BUY TYSON CLASS A COMMON STOCK OR OTHER SECURITIES. ANY SUCH SOLICITATION WILL BE MADE ONLY PURSUANT TO SEPARATE PROXY MATERIALS PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), AND ANY SUCH OFFER WILL BE MADE ONLY THROUGH A REGISTRATION STATEMENT AND THE PROSPECTUS PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION, AND YOU SHOULD CAREFULLY READ BOTH IN THEIR ENTIRETY BEFORE YOU MAKE A DECISION WITH RESPECT TO THE OFFER.

## THE OFFER

1. Terms of the Offer; Expiration Date. On the terms and subject to the conditions set forth in this Offer to Purchase, we will accept for payment and pay for up to the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares that are validly tendered prior to the Expiration Date and not withdrawn.

To the extent more than the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares are tendered in the Offer, we will purchase a number of Shares tendered in the Offer that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares on a pro rata basis (with appropriate adjustment to avoid purchase of fractional Shares) based on the number of Shares properly tendered by each stockholder prior to the Expiration Date and not withdrawn. See "The Offer-- Acceptance for Payment and Payment."

"Expiration Date" means 12:00 Midnight, New York City time, on Wednesday, January 10, 2001, unless we extend the period of time for which the Offer is open, in which event "Expiration Date" means the latest time and date at which the Offer, as so extended, shall expire.

The Offer is conditioned upon, among other things, (1) the Minimum Condition having been satisfied, (2) the Merger Agreement Condition having been satisfied in Tyson's sole discretion, (3) the Section 203 Condition having been satisfied in Tyson's sole discretion, and (4) any waiting periods under applicable antitrust laws having expired or been terminated. The Offer is also subject to other conditions as described in "The Offer--Conditions to the Offer". If any such condition is not satisfied, we may (a) terminate the Offer and return all tendered Shares; or (b) extend the Offer and, subject to certain conditions and to your withdrawal rights as set forth in "The Offer-- Withdrawal Rights", retain all Shares until the expiration date of the Offer as so extended; or (c) waive the Minimum Condition and, subject to any requirement to extend the period of time during which the Offer is open, purchase all Shares validly tendered prior to the Expiration Date and not withdrawn or delay acceptance for payment or payment for Shares, subject to applicable law, until satisfaction or waiver of the conditions to the Offer. For a description of our right to extend, amend, delay or terminate the Offer, see "The Offer--Extension of the Tender Period; Termination; Amendment," and "The Offer--Conditions to the Offer".

According to the Company's Quarterly Report on Form 10-Q for the quarter ended September 23, 2000, as of November 1, 2000, there were 105,610,334 Shares outstanding. On the date hereof, Tyson owns 574,200 Shares. Based on this information, the Minimum Condition would be satisfied if 52,336,577 Shares are validly tendered and not withdrawn prior to the Expiration Date.

2. Extension of Tender Period; Termination; Amendment. We reserve the right to extend the Expiration Date, in our sole discretion, if at the then- scheduled Expiration Date any of the conditions to the Offer have not been satisfied or waived. We also have the right to extend the Offer for any period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "SEC") or the SEC staff applicable to the Offer or any period required by applicable law. We expressly reserve the right to waive any of the conditions to the Offer and to make any change in the terms of our conditions to the Offer.

If we increase or decrease the percentage of Shares being sought or increase or decrease the consideration to be paid for Shares pursuant to the Offer and the Offer is scheduled to expire at any time before the expiration of a period of 10 business days from, and including, the date that notice of such increase or decrease is first published, sent or given in the manner specified below, the Offer will be extended until the expiration of such period of 10 business days. If we make a material change in the terms of the Offer (other than a change in price or percentage of securities sought) or in the information concerning the Offer, or waive a material condition of the Offer, we will extend the Offer, if required by applicable law, for a period sufficient to allow you to consider the amended terms of the Offer. In a published release, the SEC has stated that in its view an offer must remain open for a minimum period of time following a material change in the terms of such offer and that the waiver of a condition such as the Minimum Condition is a material change in the terms of an offer. The release states that an offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to stockholders, and that if material changes are made with respect to information that

approaches the significance of price and percentage of Shares sought, a minimum of 10 business days may be required to allow adequate dissemination and investor response. "Business day" means any day other than Saturday, Sunday or a federal holiday and shall consist of the time period from 12:01 A.M. through 12:00 Midnight, New York City time.

Any extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement, in the case of an extension of the Offer to be made no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date, in accordance with the public announcement requirements of Rule 14e-1(d) under the Exchange Act. Subject to applicable law (including Rules 14d-4(d) and 14d-6(c) under the Exchange Act, which require that material changes in the information published, sent or given to any stockholders in connection with the Offer be promptly disseminated to stockholders in a manner reasonably designed to inform them of such changes), and without limiting the manner in which we may choose to make any public announcement, we have no obligation to publish, advertise or otherwise communicate any public announcement other than by issuing a press release to the Dow Jones News Service.

If we extend the time during which the Offer is open, or if we are delayed in its acceptance for payment of or payment for Shares pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the Depositary may retain tendered Shares on our behalf and those Shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described herein under "The Offer--Withdrawal Rights." However, our ability to delay the payment for Shares that we have accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of stockholders promptly after the termination or withdrawal of such bidder's offer.

Pursuant to Rule 14d-5 under the Exchange Act and Section 220 of the Delaware General Corporation Law, requests are being made to the Company for the use of the Company's stockholder lists and security position listings for the purpose of disseminating the Offer to holders of Shares. Upon compliance by the Company with such request, this Offer to Purchase and the Letter of Transmittal will be mailed to record holders of Shares and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder lists for subsequent transmittal to beneficial owners of Shares.

3. Acceptance for Payment and Payment. Upon the terms and subject to the conditions of the Offer, we will accept for payment and pay for, promptly after the Expiration Date, up to the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares that are validly tendered prior to the Expiration Date and not withdrawn, subject to the satisfaction or waiver of the conditions set forth in "The Offer--Conditions to the Offer." In addition, we reserve the right, subject to compliance with Rule 14e-1(c) under the Exchange Act, to delay the acceptance for payment or payment for Shares pending receipt of any regulatory or governmental approvals to the Offer as described under the caption "The Offer--Certain Legal Matters; Regulatory Approvals". For a description of our right to terminate the Offer and not accept for payment or pay for Shares or to delay acceptance for payment or payment for Shares, see "The Offer--Extension of Tender Period; Termination; Amendment".

For purposes of the Offer, we shall be deemed to have accepted for payment tendered Shares when, as and if we give oral or written notice of our acceptance to the Depositary. We will pay for Shares accepted for payment pursuant to the Offer by depositing the purchase price with the Depositary. The Depositary will act as your agent for the purpose of receiving payments from us and transmitting such payments to you. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of certificates for such Shares (or of a confirmation of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility (as defined in "The Offer--Procedure for Tendering Shares")), a properly completed and duly executed Letter of Transmittal and any other required documents. Accordingly, payment may be made to tendering stockholders at different times if delivery of the Shares and other required

documents occurs at different times. For a description of the procedure for tendering Shares pursuant to the Offer, see "The Offer--Procedure for Tendering Shares".

Under no circumstances will we pay interest on the consideration paid for Shares pursuant to the Offer, regardless of any delay in making such payment. If we increase the consideration to be paid for Shares pursuant to the Offer, we will pay such increased consideration for all Shares purchased pursuant to the Offer.

We reserve the right to transfer or assign, in whole or from time to time in part, to one or more of our affiliates the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve us of our obligations under the Offer or prejudice your rights to receive payment for Shares validly tendered and accepted for payment. If any tendered Shares are not purchased pursuant to the Offer for any reason, or if certificates are submitted for more Shares than are tendered, certificates for such unpurchased or untendered Shares will be returned (or, in the case of Shares tendered by book-entry transfer, such Shares will be credited to an account maintained at the Book-Entry Transfer Facility as defined below), without expense to you, as promptly as practicable following the expiration or termination of the Offer.

If more than the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares are validly tendered and not withdrawn prior to the Expiration Date, we will accept for payment and pay for only the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares on a pro rata basis (with appropriate adjustments to avoid purchase of fractional Shares) based on the number of Shares properly tendered by each stockholder prior to or on the Expiration Date and not withdrawn. Preliminary results of proration will be announced by press release as promptly as practicable after the Expiration Date. Stockholders may obtain such preliminary information from the Information Agent and may be able to obtain such information from their broker.

4. Procedure for Tendering Shares. To tender Shares pursuant to the Offer, either (i) the Depository must receive at one of its addresses set forth on the back cover of this Offer to Purchase (A) a properly completed and duly executed Letter of Transmittal and any other documents required by the Letter of Transmittal and (B) certificates for the Shares to be tendered or delivery of such Shares pursuant to the procedures for book-entry transfer described below (and a confirmation of such delivery including an Agent's Message (as defined below) if the tendering stockholder has not delivered a Letter of Transmittal), in each case by the Expiration Date, or (ii) the guaranteed delivery procedure described below must be complied with.

Book Entry Delivery. The Depository will establish an account with respect to the Shares at The Depository Trust Company (the "Book-Entry Transfer Facility") for purposes of the Offer within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the system of the Book-Entry Transfer Facility may make delivery of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depository's account in accordance with the procedures of the Book-Entry Transfer Facility. However, although delivery of Shares may be effected through book-entry transfer, the Letter of Transmittal properly completed and duly executed together with any required signature guarantees or an Agent's Message and any other required documents must, in any case, be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase by the Expiration Date, or the guaranteed delivery procedure described below must be complied with. Delivery of the Letter of Transmittal and any other required documents to the Book-Entry Transfer Facility does not constitute delivery to the Depository. "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to, and received by, the Depository and forming a part of a book-entry confirmation which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares that are the subject of such book-entry confirmation which such participant has received, and agrees to be bound by, the terms of the Letter of Transmittal and that the Company may enforce such agreement against such participant.

Signature Guarantees. Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) that is a member of a recognized Medallion Program approved by The Securities Transfer Association

Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange, Inc. ("NYSE") Medallion Signature Program (MSP) (each an "Eligible Institution"). Signatures on a Letter of Transmittal need not be guaranteed (i) if the Letter of Transmittal is signed by the registered holder of the Shares tendered therewith and such holder has not completed the box entitled "Special Payment Instructions" on the Letter of Transmittal or (ii) if such Shares are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

**Guaranteed Delivery.** If you wish to tender Shares pursuant to the Offer and cannot deliver such Shares and all other required documents to the Depository by the Expiration Date, or cannot complete the procedure for delivery by book- entry transfer on a timely basis, you may nevertheless tender such Shares if all of the following conditions are met:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Purchaser is received by the Depository (as provided below) by the Expiration Date; and

(iii) the certificates for such Shares (or a confirmation of a book- entry transfer of such Shares into the Depository's account at the Book- Entry Transfer Facility), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantee or an Agent's Message and any other documents required by the Letter of Transmittal, are received by the Depository within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mail to the Depository and must include a guarantee by an Eligible Institution in the form set forth in such Notice. The method of delivery of Shares and all other required documents, including through the Book-Entry Transfer Facility, is at your option and risk, and the delivery will be deemed made only when actually received by the Depository. If certificates for Shares are sent by mail, we recommend registered mail with return receipt requested, properly insured.

**Back-up Withholding.** Under the federal income tax laws, the Depository will be required to withhold 31% of the amount of any payments made to certain stockholders pursuant to the Offer. In order to avoid such backup withholding, you must provide the Depository with your correct taxpayer identification number and certify that you are not subject to such backup withholding by completing the Substitute Form W-9 included in the Letter of Transmittal. If you are a non-resident alien or foreign entity not subject to back-up withholding, you must give the Depository a completed Form W-8 Certificate of Foreign Status prior to receipt of any payment.

**Grant of Proxy.** By executing a Letter of Transmittal (or delivering an Agent's Message), you irrevocably appoint our designees as your proxies in the manner set forth in the Letter of Transmittal to the full extent of your rights with respect to the Shares tendered and accepted for payment by us (and any and all other Shares or other securities issued or issuable in respect of such Shares on or after December 12, 2000). All such proxies are irrevocable and coupled with an interest in the tendered Shares. Such appointment is effective only upon our acceptance for payment of such Shares. Upon such acceptance for payment, all prior proxies and consents granted by you with respect to such Shares and other securities will, without further action, be revoked, and no subsequent proxies may be given nor subsequent written consents executed (and, if previously given or executed, will cease to be effective). Our designees will be empowered to exercise all your voting and other rights as they, in their sole discretion, may deem proper at any annual, special or adjourned meeting of the Company's stockholders, by written consent or otherwise. We reserve the right to require that, in order for Shares to be validly tendered, immediately upon our acceptance for payment of such Shares, we are able to exercise full voting rights with respect to such Shares and other securities (including voting at any meeting of stockholders then scheduled or acting by written consent without a meeting).

The tender of Shares pursuant to any one of the procedures described above will constitute your acceptance of the Offer, as well as your representation and warranty that (i) you own the Shares being tendered within the

meaning of Rule 14e-4 promulgated under the Exchange Act, (ii) the tender of such Shares complies with Rule 14e-4 and (iii) you have the full power and authority to tender, sell, assign and transfer the Shares tendered, as specified in the Letter of Transmittal. Our acceptance for payment of Shares tendered by you pursuant to the Offer will constitute a binding agreement between us with respect to such Shares, upon the terms and subject to the conditions of the Offer.

Validity. We will determine, in our sole discretion, all questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares, and our determination shall be final and binding. We reserve the absolute right to reject any or all tenders of Shares that we determine not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any defect or irregularity in any tender of Shares. Our interpretation of the terms and conditions of the Offer will be final and binding. None of Tyson, Purchaser, the Dealer Manager, the Depository, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in tenders or waiver of any such defect or irregularity or incur any liability for failure to give any such notification.

5. **Withdrawal Rights.** You may withdraw tenders of Shares made pursuant to the Offer at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn after February 9, 2001 unless such Shares are accepted for payment as provided in this Offer to Purchase. If we extend the period of time during which the Offer is open, are delayed in accepting for payment or paying for Shares pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the Depository may, on our behalf, retain all Shares tendered, and such Shares may not be withdrawn except as otherwise provided in this Section.

To withdraw tendered Shares, a written or facsimile transmission notice of withdrawal with respect to the Shares must be timely received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase, and the notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn and the number of Shares to be withdrawn and the name of the registered holder of Shares, if different from that of the person who tendered such Shares. If the Shares to be withdrawn have been delivered to the Depository, a signed notice of withdrawal with (except in the case of Shares tendered by an Eligible Institution) signatures guaranteed by an Eligible Institution must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering stockholder) and the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares. Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be re-entered by again following one of the procedures described in "The Offer--Procedures for Tendering Shares" at any time prior to the Expiration Date.

We will determine, in our sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal, and our determination shall be final and binding. None of Purchaser, the Dealer Manager, the Depository, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or waiver of any such defect or irregularity or incur any liability for failure to give any such notification.

6. **Material Tax Considerations.** The following discussion is a summary of material United States federal income tax consequences of the Offer and the Proposed Merger to the holders of Shares who hold their Shares as capital assets. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury regulations, and administrative and judicial interpretations thereof, each as in effect as of the date of this Offer to Purchase, all of which may change, possibly with retroactive effect.

This discussion does not address all aspects of federal income taxation that may be relevant to a holder of Shares in light of that holder's particular circumstances or to a holder subject to special rules, such as (i) a

stockholder who is not a citizen or resident of the United States, (ii) a financial institution or insurance company, (iii) a tax-exempt organization, (iv) a dealer or broker in securities, (v) a stockholder that holds its Shares as part of a hedge, straddle, constructive sale, conversion transaction or other integrated transaction, or (vi) a stockholder that acquired its Shares pursuant to the exercise of options or otherwise as compensation. In addition, this discussion does not address any state, local or foreign tax consequences of the Offer or the Proposed Merger. We urge each holder of Shares to consult its own tax advisor to determine the particular federal income tax or other tax consequences to it of participation in the Offer and to determine whether it should participate in the Offer or the Proposed Merger.

Assuming that the Offer and the Proposed Merger are treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code (and Tyson, Purchaser and the Company are included as parties to that reorganization within the meaning of Section 368(b) of the Code), for federal income tax purposes:

. A holder of Shares that has all of its Shares purchased in the Offer will recognize gain or loss, measured by the difference between the cash received and such holder's adjusted tax basis in such Shares. This gain or loss will be capital gain or loss provided such holder's Shares were held as a capital asset, and will be long-term capital gain or loss if the holder has held the Shares tendered in the Offer for more than one year at the time such Shares are purchased in the Offer.

. A holder of Shares that exchanges all of its Shares for Tyson Class A Common Stock pursuant to the Proposed Merger will not recognize any gain or loss except with respect to cash received in lieu of fractional Shares.

. A holder of Shares that has some of its Shares accepted for tender in the Offer and exchanges some of its Shares for Tyson Class A Common Stock pursuant to the Proposed Merger will recognize gain (but not loss) to the extent of cash received in the Offer. For these purposes, a holder's gain is measured by the difference between (A) the sum of (i) the amount of cash received pursuant to the Offer plus (ii) the fair market value of Tyson Class A Common Stock received in the Proposed Merger (plus any cash received in lieu of fractional shares thereof) and (B) the holder's adjusted tax basis in its Shares.

. If a holder of Shares receives cash in lieu of fractional shares of Tyson Class A Common Stock in the Proposed Merger, the holder will be required to recognize gain or loss measured by the difference between the amount of cash received in lieu of that fractional share and the portion of the tax basis of that holder's Shares allocable to that fractional share. This gain or loss will be capital gain or loss provided such holder's Shares were held as a capital asset, and will be long-term capital gain or loss if the holder has held the Shares deemed exchanged for that fractional share of Tyson Class A Common Stock for more than one year at the effective time of the Proposed Merger.

. A holder of Shares will have a tax basis in Tyson Class A Common Stock received in the Proposed Merger equal to the tax basis in its Shares surrendered by that holder in the Offer and Proposed Merger, (A) reduced by (i) any tax basis in such Shares that is allocable to fractional share interests in Tyson Class A Common Stock for which cash is received and (ii) the amount of cash received by such holder, if any, pursuant to the Offer, and (B) increased by the amount of gain, if any, recognized by such holder in the Offer (but not by gain recognized upon the receipt of cash in lieu of fractional shares of Tyson Class A Common Stock in the Proposed Merger).

. The holding period for Tyson Class A Common Stock received in exchange for Shares in the Proposed Merger will include the holding period for Shares surrendered in the Proposed Merger, provided such Shares were held as a capital asset.

The tax consequences described above are based on factual assumptions, including the satisfaction of the supporting conditions. If those factual assumptions are not satisfied, the federal income tax consequences of the Proposed Merger to holders of Shares could differ materially from those summarized above. In particular, although holders of Shares that have Shares accepted for tender in the Offer will recognize gain for federal

income tax purposes regardless of whether these factual assumptions are satisfied, as described below, the Proposed Merger may be a taxable transaction for federal income tax purposes if these factual assumptions are not satisfied.

If the Proposed Merger is consummated but fails to be treated as a reorganization within the meaning of Section 368(a) of the Code (or Tyson, Purchaser or the Company is not included as a party to that reorganization within the meaning of Section 368(b) of the Code), the Proposed Merger will be a taxable transaction for federal income tax purposes. In that event, each Holder of Shares that exchanges Shares for Tyson Class A Common Stock in the Proposed Merger will recognize gain or loss measured by the difference between the fair market value of Tyson Class A Common Stock received (together with any cash received in the Offer and any cash received in lieu of fractional shares) and such stockholder's adjusted tax basis in the Shares exchanged in the Proposed Merger. The gain or loss will be capital gain or loss provided such Shares were held as a capital asset, and will be long-term capital gain or loss if such Shares were held for more than one year at the Effective Time of the Proposed Merger.

The federal income tax discussion set forth above is included for general information only and is based upon present law. Due to the individual nature of tax consequences, you are urged to consult your tax advisors as to the specific tax consequences to you of the Offer and the Proposed Merger, including the effects of applicable state, local or other tax laws.

7. Price Range of Shares; Dividends. The Shares are listed and principally traded on the NYSE. The following table sets forth for the periods indicated the high and low sales prices per Share on the NYSE based on published financial sources.

	High	Low
	-----	-----
1998		
First Quarter.....	\$24.13	\$20.06
Second Quarter.....	22.88	18.38
Third Quarter.....	20.88	16.56
Fourth Quarter.....	29.25	20.25
1999		
First Quarter.....	\$29.13	\$19.63
Second Quarter.....	23.44	16.75
Third Quarter.....	25.25	22.25
Fourth Quarter.....	25.00	17.81
2000		
First Quarter.....	\$18.00	\$11.19
Second Quarter.....	18.75	13.31
Third Quarter.....	17.75	14.13
Fourth Quarter through December 11.....	25.88	17.38

On September 29, 2000, the last full trading day before the date the Company entered into the Rawhide Agreement, the closing price of a Share of the Company was \$18.31. On November 10, 2000, the last full trading day before the date Smithfield Foods, Inc. made its unsolicited proposal to the special committee of the board of directors of the Company ("Special Committee") for a stock-for-stock merger, the closing price of a Share of the Company was \$20.88.

Between January 1, 2000 and December 11, 2000, the price per Share on the NYSE ranged between \$11.19 and \$25.88. On December 11, 2000, the last full trading day before the date of this Offer to Purchase, the reported closing sales price per Share on the NYSE was \$25.88. We urge you to obtain current market quotations for the Shares. The Company's annual dividend is \$.10.

## 8. Certain Information Concerning the Company.

General. The Company is a Delaware corporation, with principal executive offices at 800 Stevens Port Drive, Dakota Dunes, South Dakota 57049. The telephone number of the Company's executive offices is (605) 235-2061. The Company is one of the world's largest manufacturers of fresh meats and frozen and refrigerated food products, with 1999 annual sales in excess of \$14.0 billion. The Company has two primary business segments: Fresh Meats, which produces boxed beef, pork, hides and other allied products; and Foodbrands, which manufactures various value added products including pepperoni, pizza toppings, appetizers, prepared meals, Mexican foods, soups, sauces, and branded and processed meats. The Company has over 60 manufacturing locations in the United States and internationally. The Company has sales offices in North America, Central America, Europe, and Asia. The Company employs approximately 50,000 people.

Available Information. The Company is subject to the informational requirements of the Exchange Act and in accordance therewith files periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. The Company is required to disclose in such proxy statements certain information, as of particular dates, concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company. Such reports, proxy statements and other information may be inspected at the public reference facilities maintained by the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549; 7 World Trade Center, Suite 1300, New York, New York 10048 and Citicorp Center, Suite 1400, 500 W. Madison Street, Chicago, Illinois 60661. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, or free of charge at the Web site maintained by the SEC at <http://www.sec.gov>.

Except as otherwise stated in this Offer to Purchase, the information concerning the Company contained herein has been taken from or is based upon reports and other documents on file with the SEC or otherwise publicly available. Although we have no knowledge that would indicate that any statements contained herein based upon such reports and documents are untrue, we take no responsibility for the accuracy or completeness of the information contained in such reports and other documents or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any such information but that are unknown to us.

9. Certain Information Concerning Purchaser and Tyson. Purchaser is a Delaware corporation incorporated on December 8, 2000, with principal executive offices at 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999. The telephone number of our principal executive offices is (501) 290-4000. To date, Purchaser has engaged in no activities other than those incident to Purchaser's formation and the commencement of the Offer. Purchaser is a wholly-owned subsidiary of Tyson.

Tyson is a Delaware corporation with principal executive offices at 2210 West Oakland Drive, Springdale, Arkansas 72762-6999. The telephone number of Tyson's executive offices is (501) 290-4000. Tyson produces, distributes and markets chicken, Mexican foods, prepared foods, animal and pet food ingredients and live swine. Tyson's goal is to be the undisputed world leader in growing, processing and marketing chicken and chicken-based food products. Tyson's integrated operations consist of breeding and rearing chickens, as well as the processing, further-processing and marketing of these food products. Tyson's products are marketed and sold to national and regional grocery chains, regional grocery wholesalers, clubs and warehouse stores, military commissaries, industrial food processing companies, national and regional chain restaurants or their distributors, international export companies and domestic distributors who service restaurants, foodservice operations such as plant and school cafeterias, convenience stores, hospitals and other vendors. Tyson's integrated chicken processes include genetic research, breeding, hatching, rearing, ingredient procurement, feed milling, veterinary and other technical services, and related transportation and delivery services.

Tyson is a fully-integrated producer, processor and marketer of a variety of food products. Tyson presently identifies segments based on the products offered and the nature of customers, resulting in four reported business segments: Food Service, Consumer Products, International and Swine.

Tyson's chicken business consists of the Food Service, Consumer Products and International segments. Food Service includes fresh, frozen and value-enhanced chicken products sold through food service and specialty distributors who deliver to restaurants, schools and other accounts. Consumer Products include fresh, frozen and value-enhanced chicken products sold through retail markets for at-home consumption and through wholesale club markets targeted to small food service operators, individuals and small businesses. Tyson's International segment markets and sells the full line of Tyson chicken products.

Tyson's farrow to finish swine operations, which include genetic and nutritional research, breeding, farrowing and feeder pig finishing and the marketing of live swine to regional and national packers, are conducted in Arkansas, Missouri, North Carolina and Oklahoma.

Tyson's other business category includes the Prepared Foods group, consisting of Mexican Original, Culinary Foods and Mallard's Food Products. Mexican Original produces flour and corn tortilla products. Culinary Foods and Mallard's Food Products produce specialty pasta and meat dishes for restaurants, airlines and other major customers. Additionally, the other category includes Tyson's wholly-owned subsidiaries involved in supplying chicken breeding stock and trading agricultural goods worldwide.

The name, business address, principal occupation or employment, five year employment history and citizenship of each director and executive officer of Tyson and Purchaser and certain other information are set forth on Schedule I. Except as set forth in this Offer to Purchase, during the past two years, none of us, nor, to our best knowledge, any of the persons listed on Schedule I hereto, has had any business relationship or transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the SEC applicable to the Offer. Except as set forth in this Offer to Purchase, none of the persons listed in Schedule I, nor any of their respective associates or majority-owned subsidiaries, beneficially owns any securities of the Company. Except as set forth in this Offer to Purchase, there have been no contacts, negotiations or transactions between us or any of our subsidiaries or, to our best knowledge, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets. None of the persons listed in Schedule I has, during the past five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). Except as described in Schedule I, none of the persons listed in Schedule I has, during the past five years, been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

On November 15, 2000, John S. Lea sold 1,000 Shares for \$22.25 per Share. Mr. Lea had purchased these Shares on March 17, 2000. As of December 11, 2000, Tyson beneficially owned 574,200 Shares, representing less than 1% of the outstanding Shares. Transactions in the Shares by Tyson effected in the past 60 days are described in Schedule II hereto. All such transactions were effected by Tyson in the open market on the NYSE at the prices per share indicated on Schedule II.

On December 5, 2000, Tyson announced that it expects to resume purchases under its ongoing corporate stock repurchase program. Since December 4, 2000, the day Tyson announced its proposal to acquire the Company, Tyson has repurchased 200,000 shares of Tyson Class A Common Stock in the open market at prices ranging from \$11.63 to \$12.13 per share. During fiscal 2000 Tyson repurchased 4.0 million shares of Tyson Class A Common Stock under this program. Depending on market conditions and the price for Tyson Class A Common Stock, and subject to applicable SEC rules and regulations, Tyson may continue to purchase, from time to time, shares of Class A Common Stock in the open market.

Available Information. Tyson is subject to the informational requirements of the Exchange Act and in accordance therewith files periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Tyson is required to disclose in such proxy statements certain

information, as of particular dates, concerning its directors and officers, their remuneration, stock options granted to them, the principal holders of its securities and any material interests of such persons in transactions with Tyson. Such reports, proxy statements and other information should be available for inspection and copying at the offices of the SEC in the same manner as set forth with respect to the Company in "Certain Information Concerning the Company--Available Information" and the library of the NYSE, 20 Broad Street, New York, New York 10005.

10. Source and Amount of Funds. We will need approximately \$1.4 billion to purchase the number of Shares representing, together with Shares owned by Tyson, 50.1% of the outstanding Shares pursuant to the Offer and to pay related fees and expenses. We will obtain such funds from Tyson's general corporate funds and also from Tyson's existing commercial paper program. Tyson has received proposals from various financial institutions to provide a new 364-day term credit facility, which, when combined with its existing revolving credit facility, would provide a back-stop for the issuance of up to \$2 billion in commercial paper to fund the acquisition. As of December 11, 2000, the outstanding borrowings under the commercial paper program were approximately \$300 million and the weighted average interest rate on such commercial paper was 7.02%, with maturities ranging from 3 to 30 days.

Following the issuance of the commercial paper, Tyson may seek to refinance all or a portion of the commercial paper borrowings through the issuance of public debt securities. However, the decision whether or not to effect such refinancing and the timing of such refinancing will depend on a number of factors, including, market conditions, interest rates and interest rate spreads and the availability of alternative financing.

If we are unable to consummate the foregoing financing arrangements, we will seek alternative financing.

11. Background of the Offer; Proposed Merger Agreement. As part of the continuous evaluation of its businesses and plans, Tyson regularly considers a variety of strategic options and transactions. In recent years, as part of this process, Tyson has evaluated various alternatives for expanding its business, including through acquisitions and including discussions with the Company from time to time.

On October 2, 2000, the Company and Donaldson, Lufkin & Jenrette, Inc. ("DLJ") jointly announced that Rawhide Holdings Corporation, a wholly-owned subsidiary of DLJ Merchant Banking Partners III, L.P., a private equity fund affiliated with DLJ, had entered into the Rawhide Agreement, to acquire the outstanding Shares in a transaction whereby each Share would be converted into the right to receive \$22.25 in cash.

On October 27, 2000, Brandes Investment Partners, L.P., Brandes Investment Partners Inc., Brandes Holdings, L.P., Charles H. Brandes, Glenn R. Carlson and Jeffrey A. Busby, together the holders of 9.12% of the outstanding Shares, disclosed in a public filing with the SEC their intention to vote against the merger proposed by the Rawhide Agreement and to consider asserting their appraisal rights under Delaware law.

On November 13, 2000, Smithfield Foods, Inc. ("Smithfield") announced in a public filing with the SEC its offer to acquire the outstanding Shares for \$25 a share payable in Smithfield common stock. Also, on November 13, 2000, the Special Committee announced that it would begin discussions with Smithfield. Thereafter, on November 16, 2000, the Company and Smithfield announced that they entered into a confidentiality agreement.

On November 21, 2000 John Tyson, Chairman, President and Chief Executive Officer of Tyson, contacted Richard Bond, President of the Company, and inquired as to whether there might be any interest in discussing a combination of the Company and Tyson. As a follow-up to this conversation, John Tyson and other senior Tyson executives initiated a meeting with Robert Peterson, Chairman and Chief Executive Officer of the Company, and Mr. Bond on November 24, 2000. During the subsequent week, Mr. Tyson initiated other conversations with both Mr. Peterson and Mr. Bond.

On December 4, 2000, Tyson sent the following letter to the Special Committee:

Special Committee of the Board of Directors of IBP, inc. 800 Stevens Port Drive  
Dakota Dunes, South Dakota 57049  
Attn: Ms. JoAnn R. Smith, Chairperson

Tyson Foods, Inc. proposes the following transaction with IBP:

Tyson will acquire all outstanding common stock of IBP in a two-step merger pursuant to a definitive agreement in which IBP stockholders receive cash and Tyson Class A Common Stock valued at \$26.00 for each share of IBP common stock. To effect the transaction, Tyson will first commence a cash tender offer for 50.1% of outstanding IBP common stock. After conclusion of the tender offer, Tyson will effect a merger in which each remaining share of IBP common stock will be converted into \$26.00 of Tyson Class A Common Stock, subject to a maximum exchange ratio of 2.063 Tyson shares and a minimum exchange ratio of 1.688 Tyson shares per IBP share.

Our proposal provides a 42% premium over the closing price of IBP on September 29, 2000, the last trading day prior to announcement of the Rawhide transaction.

Our transaction is clearly superior to the Smithfield and Rawhide offers for the following reasons:

. We provide higher absolute value for each IBP share.

. IBP stockholders will receive one-half of total consideration promptly in cash under the tender offer. Our proposal is not subject to any financing condition. The Smithfield proposal contains no cash consideration and will take significantly longer to complete. The Rawhide proposal offers no equity participation and requires financing.

. Our equity component is compelling. The transaction is instantly accretive to Tyson, before synergies, and offers even stronger cash-flow characteristics. In addition, the combined company will be better positioned in the highly competitive food industry.

. Our proposal avoids significant regulatory risk. As observed in your letter to Smithfield, their proposal will cause strict regulatory scrutiny and likely require significant asset divestiture. Numerous regulators, politicians and farm advocacy groups have already expressed opposition to the Smithfield combination. The resulting uncertainty and expected delay is detrimental to both IBP and the ultimate value to be received by your stockholders.

. Finally, the resulting company will be the world's leading supplier of chicken, beef and pork. We offer complementary products, operations and philosophies, and look forward to working with Bob Peterson and Dick Bond. We will combine these companies only in ways that create strength and do not anticipate any significant reduction in employment levels.

Our transaction is intended to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code such that the stock portion of consideration would be tax-free to IBP stockholders.

We expect IBP employee stock options will be converted into Tyson's stock options on a basis consistent with the overall valuation received by IBP stockholders in the second-step merger portion of the transaction.

This proposal is subject to completion of a quick, confirmatory due diligence review and negotiation of a definitive merger agreement. Tyson is prepared to enter into a confidentiality agreement on terms no less favorable than that offered Smithfield. We attach a signed confidentiality agreement substantially identical to Smithfield's agreement for your review and execution.

Time is of the essence. We ask to commence due diligence as soon as possible and are prepared to begin tomorrow, December 5th. We are also prepared to immediately negotiate a definitive merger agreement, which we anticipate will contain customary terms and conditions for transactions of this kind.

Because this proposal is important to our respective stockholders we are releasing this letter publicly.

I know we can, with your cooperation, close quickly and focus management on creating value. I strongly believe this transaction will benefit all our stockholders. Please call me or our advisors, Merrill Lynch, with any questions.

Sincerely,

John Tyson  
Chairman, President and Chief Executive Officer

Tyson Foods, Inc.

On December 4, the Special Committee sent John Tyson the following letter:

December 4, 2000

Mr. John Tyson  
Chairman, President and Chief Executive Officer Tyson Foods, Inc.  
2210 West Oaklawn Drive  
Springdale, Arkansas 72762-6999

Dear Mr. Tyson:

The Special Committee of the Board of Directors of IBP, inc., was pleased to receive your letter dated December 4, 2000 in which you propose a merger in which IBP stockholders would receive \$26 per share, payable as to 50.1% of the outstanding IBP shares in cash and payable as to 49.9% of the outstanding IBP shares in Tyson Class A Common Stock, subject to the terms and conditions set forth therein.

The Committee has determined that your proposal meets the applicable threshold under IBP's merger agreement with Rawhide Holdings Corporation and is therefore prepared to enter into discussions with you regarding your proposal.

The Committee has reviewed your proposed form of confidentiality agreement and has authorized me to execute it on behalf of the Company. An executed copy is enclosed. You indicated in your letter that you are interested in performing a quick, confirmatory due diligence review and we will try to accommodate you on that score. In that regard, we will make documents available for legal due diligence beginning tomorrow at our counsel's offices.

A key point of concern with respect to your proposal is the "collar" on the exchange ratio. We note that this morning, subsequent to the announcement, your stock traded below the lower end of your proposed collar. We are very interested in discussing with you ways to protect the value for IBP stockholders, such as a broader collar or a higher starting price.

We also look forward to sitting down with your representatives to discuss the regulatory and political implication of your proposal, and we are very interested in hearing your strategy for addressing any issues that may arise in that regard.

I note, as I'm sure you are aware, that the Committee's objectives, as well as its obligation, is to act to achieve the highest price reasonably available to stockholders.

We look forward to working with you to assure the most favorable possible transaction from the standpoint of IBP stockholders.

Very truly yours,

**Jo Ann R. Smith**

On December 4, 2000, the Company and Tyson entered into a confidentiality agreement (the "Confidentiality Agreement"), a copy of which is filed as an exhibit to the Tender Offer Statement on Schedule TO filed by Tyson and the Purchaser (the "Schedule TO"), pursuant to which Tyson agreed to keep confidential certain information it and its advisors may receive from the Company and its advisors in connection with Tyson's evaluation of a potential transaction. Under the Confidentiality Agreement, Tyson is prohibited prior to March 31, 2001 from making any proposals to acquire less than all of the outstanding Shares, and from acquiring additional Shares in the open market if such acquisition would result in Tyson beneficially owning more than 9.9% of the outstanding Shares, except in each case under certain circumstances.

On December 5 and 6, 2000, representatives of Tyson, and its legal and financial advisors, visited the offices of counsel to the Special Committee to conduct preliminary due diligence. On December 8, representatives of Tyson met with the Company's management to conduct further due diligence and to discuss issues in connection with a possible acquisition of the Company.

On December 11, 2000, John Tyson spoke with JoAnn R. Smith informing her that Tyson would be initiating the Offer. On December 11, 2000 Tyson announced its intention to commence the Offer. Tyson also delivered a form of merger agreement to the Company, a copy of which is filed as an exhibit to the Schedule TO. The following is a summary of the material terms of the form of merger agreement (the "Merger Agreement"). This summary is qualified by reference to the complete text of Merger Agreement. Tyson can provide no assurance that any definitive merger agreement between Tyson and the Company will contain these or similar terms.

#### **The Amended Offer**

The Merger Agreement will require Tyson to amend the Offer (the "Amended Offer") and file an amended Schedule TO (the "Form TO/A") which will include an amended Offer to Purchase (the "Amended Offer to Purchase"). Under the Merger Agreement, Purchaser's obligation to accept for payment and pay for Shares tendered pursuant to the Amended Offer will be subject to the satisfaction or waiver of the Minimum Condition and certain other conditions that are described below. Subject to the provisions of the Merger Agreement, the Merger Agreement will permit Purchaser to waive, in whole or in part at any time or from time to time, any condition to the Amended Offer; provided that the Merger Agreement will not permit, without the prior written consent of the Company, Purchaser to make any change that changes the form of consideration to be paid in the Amended Offer or the Proposed Merger, decreases the price per Share, increases the Minimum Condition or the Maximum Amount (as defined in the Merger Agreement), imposes additional conditions to the Amended Offer or amends any term or any condition to the Amended Offer in a manner materially adverse to the holders of the Shares.

Under the Merger Agreement, Purchaser will have the right, without the consent of the Company, to waive the Minimum Condition and extend the Offer

(i) from time to time if, at the scheduled or extended expiration date of the Amended Offer, any of the conditions to the Amended Offer have not been satisfied or waived (until such conditions are satisfied or waived) for a number of days not to exceed 60 in the aggregate and (ii) for any period required by any rule, regulation, interpretation or position of the SEC or the staff of the SEC applicable to the Amended Offer or any period required by applicable law.

## **Recommendation**

The Merger Agreement contemplates that the board of directors of the Company, upon recommendation of the Special Committee, will (i) determine that each of the Merger Agreement, the Amended Offer and the Proposed Merger is fair to, and in the best interest of, the holders of Shares, (ii) approve the Merger Agreement and the transactions contemplated thereby, including each of the Amended Offer and the Proposed Merger and (iii) resolve to recommend that the stockholders of the Company who desire to receive cash for their Shares accept the Amended Offer and tender their Shares and that, following consummation of the Amended Offer, the stockholders of the Company adopt the Merger Agreement and vote in favor of the Proposed Merger.

## **The Proposed Merger**

The Merger Agreement provides that as soon as practicable after the purchase of the Shares pursuant to the Amended Offer, the approval of the Merger Agreement by the Company's stockholders and the satisfaction or waiver of the other conditions to the Proposed Merger, the Company will be merged with and into Purchaser, and Purchaser will be the surviving corporation (the "Surviving Corporation").

Pursuant to the Merger Agreement, each Share outstanding at the effective time of the Proposed Merger (other than Shares owned by Tyson or any of its subsidiaries, including Purchaser, or by the Company as treasury stock, all of which will be cancelled), will be converted into the right to receive that number of shares of Tyson Class A Common Stock equal to, (a) if the market price per share of Tyson Class A Common Stock is equal to or greater than \$15.40, 1.688, (b) if the market price per share of Tyson Class A Common Stock is less than \$15.40 and greater than \$12.60, the result of \$26.00 divided by the market price per share of Tyson Class A Common Stock, and (c) if the market price per share of Tyson Class A Common Stock is equal to or less than \$12.60, equal to 2.063. The "market price" per share of Tyson Class A Common Stock is the average of the closing price per share of Tyson Class A Common Stock on the NYSE at the end of the regular session as reported on the Consolidated Tape, Network A for the fifteen consecutive trading days ending on the fifth trading day immediately preceding the effective time of the Proposed Merger.

## **Employee Stock Options**

The Merger Agreement provides that, at or immediately prior to the effective time of the Proposed Merger, each employee stock option or director stock option to purchase outstanding Shares under any stock option plan of the Company, whether or not vested or exercisable (each, a "Company Option") will, by virtue of the Proposed Merger and without any further action on the part of any holder thereof, be assumed by Tyson and deemed to constitute an option (each, a "Tyson Option") to acquire, on the same terms and conditions as were applicable under such Company Option, the same number of shares of Tyson Class A Common Stock as the holder of such Company Option would have been entitled to receive had such holder exercised such Company Option in full immediately prior to the effective time of the Proposed Merger (rounded to the nearest whole number), at a price per share (rounded down to the nearest whole cent) equal to (x) the aggregate exercise price for the Shares otherwise purchasable pursuant to such Company Option divided by (y) the number of whole shares of Tyson Class A Common Stock purchasable pursuant to the Tyson Option in accordance with the foregoing. The Merger Agreement states that the other terms of each such Company Option, and the plans under which they were issued, will continue to apply in accordance with their terms.

Under the Merger Agreement, prior to the effective time of the Proposed Merger, the Company will (i) obtain any consents from holders of Company Options and (ii) make any amendments to the terms of such stock option plans of the Company that, in the case of either clauses (i) or (ii), are necessary or appropriate to give effect to the above transactions; provided, however, that lack of consent of any holder of a Company Option will in no way affect the obligations of the parties to consummate the Proposed Merger.

In the Merger Agreement, Tyson will agree to take, at or prior to the effective time of the Proposed Merger, all corporate action necessary to reserve for issuance a sufficient number of shares of Tyson Class A Common

Stock for delivery upon exercise of the Tyson Options. The Merger Agreement provides that Tyson will agree to file a registration statement on Form S-8, with respect to the shares of Tyson Class A Common Stock subject to such Tyson Options.

## **Representations and Warranties**

The Merger Agreement contemplates the Company making customary representations and warranties to Tyson, including representations relating to its organization and governmental qualification and subsidiaries; its articles of incorporation and bylaws; capitalization; corporate authorizations; absence of conflicts; required filings and consents; compliance with laws; SEC filings; financial statements; absence of certain changes or events (including any material adverse effect on the financial condition, business, assets or results of operations of the Company); absence of undisclosed liabilities; litigation; employee benefit plans; tax matters; labor matters; intellectual property; environmental matters; insurance and other matters.

The Merger Agreement contemplates certain of the Company's representations and warranties will be qualified as to "materiality" or "Material Adverse Effect." When used in connection with the Company or any of its subsidiaries, the term "Material Adverse Effect" will mean any effect that would be materially adverse to the financial condition, business, assets, liabilities or results of operations of the Company and its subsidiaries taken as a whole.

In the Merger Agreement Tyson will make customary representations and warranties to the Company, including representations relating to its corporate organization; authority relative to the Merger Agreement; absence of conflicts; financial statements; finders fees and other matters.

## **Covenants of the Company**

The Merger Agreement would require that the Company agree to comply with various covenants.

Conduct of the Company. Prior to the effective time of the Proposed Merger, except as expressly permitted by the Merger Agreement, the Company and its subsidiaries will conduct business in the ordinary course consistent with past practices, and the Company will not and will not permit its subsidiaries to, among other things:

- (a) amend its organizational documents;
- (b) make any acquisitions for an amount in excess of \$20 million in the aggregate, or sell, lease or otherwise dispose of a subsidiary, assets or securities for an amount in excess of \$125 million in the aggregate;
- (c) make any investment in an amount in excess of \$20 million in the aggregate or purchase any property or assets of any other individual or entity for an amount in excess of \$20 million in the aggregate;
- (d) waive, release, grant, or transfer any rights of material value other than in the ordinary course of business consistent with past practice;
- (e) modify any existing material license, lease, contract, or other document other than in the ordinary course of business consistent with past practice;
- (f) incur, assume or prepay an amount of long-term or short-term debt in excess of \$125 million in the aggregate;
- (g) assume, guarantee, endorse or otherwise become liable or responsible for the obligations of any other person which, are in excess of \$10 million in the aggregate;
- (h) make any loans, advances or capital contributions to, or investments in, any other person which are in excess of \$20 million in the aggregate;

(i) authorize any new capital expenditures which, individually or in the aggregate, would cause total capital expenditures for the calendar year 2000 and the first quarter of calendar year 2001 to exceed \$565 million;

(j) split, combine or reclassify any shares of its capital stock, declare, set aside or pay any dividend or other distribution in respect of its capital stock except regular quarterly dividends, or, redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its securities or any securities of its subsidiaries;

(k) adopt or amend any material bonus, profit sharing, compensation, severance, termination, stock option, pension, retirement, deferred compensation, employment or employee benefit plan, or increase in any manner the compensation or fringe benefits of any director, officer or employee or pay any benefit not required by any existing plan or arrangement;

(l) pay, discharge or satisfy any material claims, liabilities or obligations;

(m) approve any new labor agreements;

(n) take any action other than in the ordinary course of business and consistent with past practices with respect to accounting policies or procedures; or

(o) knowingly take or agree or commit to take any action that would make any representation and warranty of the Company under the Merger Agreement inaccurate in any material respect at, or as of any time prior to, the effective time of the Proposed Merger.

**Company Stockholder Meeting.** The Merger Agreement will require the Company to cause a meeting of its stockholders to be duly called and held as soon as reasonably practicable after consummation of the Amended Offer for the purpose of voting on the approval and adoption of the Merger Agreement and the Proposed Merger. The Merger Agreement contemplates the board of directors of the Company recommending approval and adoption of the Agreement and the Proposed Merger by the Company's stockholders and shall prohibit the board of directors from withdrawing such recommendation, subject to certain exceptions to allow the board of directors of the Company to satisfy its fiduciary obligations.

**Access to Information.** The Merger Agreement contemplates that, from the date of the agreement until the effective time of the Proposed Merger, the Company will (a) give Tyson and its counsel, financial advisors, auditors and other authorized representatives (collectively, the "Representatives") reasonable access during normal business hours to the offices, properties, books and records of the Company and its subsidiaries, (b) provide the Representatives access to and the right to consult with representatives of the Company handling any labor negotiations with any union representing employees of the Company, (c) furnish to Tyson and the Representatives such financial and operating data and other information as such persons may reasonably request in order to complete the transactions contemplated hereby and (d) instruct the Company's employees, counsel and financial advisors to cooperate with Tyson in its investigation of the business of the Company and its subsidiaries; provided that (i) any information provided to Tyson or the Representatives will be subject to the Confidentiality Agreement (defined below) and (ii) Tyson shall inform the Representatives receiving such information of the terms of the Confidentiality Agreement and shall be responsible for any breach by such Representatives of such Confidentiality Agreement.

**Other Offers.** The Merger Agreement provides that neither the Company nor any of its subsidiaries will, or will authorize or permit any of their officers, directors, employees, investment bankers, attorneys, accountants, consultants or other agents or advisors to, directly or indirectly, (x) solicit, initiate or take any action to facilitate or encourage the submission of inquiries, proposals or offers from any person or group (other than Tyson and Purchaser) relating to any Acquisition Proposal (defined below), or agree to or endorse any Acquisition Proposal, (y) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal, or furnish to any person or group any information with respect to its business, properties or assets in connection with any Acquisition Proposal or (z) grant any waiver or release under any standstill or similar agreement with respect to

any class of equity securities of the Company or any of its subsidiaries. "Acquisition Proposal" means any offer or proposal for a merger, reorganization, consolidation, share exchange, business combination or other similar transaction involving the Company or any of its subsidiaries or any proposal or offer to acquire, directly or indirectly, securities representing more than 50% of the voting power of the Company, or a substantial portion of the assets of the Company and its subsidiaries taken as a whole, other than the Amended Offer and the Proposed Merger contemplated by the Merger Agreement.

The Merger Agreement further provides that, notwithstanding the foregoing, the Company's board of directors may, prior to the acceptance for payment of Shares pursuant to the Amended Offer, (i) furnish information pursuant to a confidentiality letter deemed appropriate by the Special Committee concerning the Company and its businesses, properties or assets to a person or group who in the judgment of the Special Committee has made a bona fide Acquisition Proposal, (ii) engage in discussions or negotiations with such a person or group who in the judgment of the Special Committee has made a bona fide Acquisition Proposal, (iii) following receipt of a bona fide Acquisition Proposal, take and disclose to its stockholders a position contemplated by Rule 14e-2(a) under the Exchange Act or otherwise make disclosure to its stockholders, (iv) following receipt of an Acquisition Proposal, fail to make or withdraw or modify its recommendation that all stockholders of the Company who wish to receive cash for their Shares tender their Shares in the Amended Offer and approve the Proposed Merger and/or (v) taking any non-appealable, final action ordered to be taken by the Company by any court of competent jurisdiction but, in each case referred to in the foregoing (i), (ii) and (iv), only if (i) the Company has complied with the terms of this "No Solicitation Covenant", (ii) the Company has received an unsolicited Acquisition Proposal which the board of directors of the Company determines in good faith is reasonably likely to result in a Superior Proposal, and (iii) the Company shall have delivered to Tyson a prior written notice advising Tyson that it intends to take such action. "Superior Proposal" means any bona fide written Acquisition Proposal which (i) the board of directors of the Company determines in good faith (after consultation with a financial advisor of nationally recognized reputation and taking into account all the terms and conditions of the Acquisition Proposal) is (a) more favorable to the Company and its stockholders from a financial point of view than the transaction contemplated under the Merger Agreement, and (b) reasonably capable of being completed, including a conclusion that its financing, to the extent required, is then committed or is in the good faith judgment of the board of directors of the Company, reasonably capable of being financed by the person making such Acquisition Proposal.

Notices Of Certain Events. The Merger Agreement would require the Company to promptly notify Tyson of (a) any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by the Merger Agreement, (b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by the Merger Agreement; (c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting the Company or any subsidiary of the Company which, if pending on the date of the Merger Agreement, would have been required to be disclosed or which relate to the consummation of the transactions contemplated by the Merger Agreement.

Tax Matters. The Merger Agreement would require that, without the prior written consent of Tyson (such consent not to be unreasonably withheld), neither the Company nor any of its subsidiaries will make or change any tax election, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended tax returns or claims for tax refunds, enter into any closing agreement, surrender any tax claim, audit or assessment, surrender any right to claim a tax refund, offset or other reduction in tax liability surrendered, consent to any extension or waiver of the limitations period applicable to any tax claim or assessment or take or omit to take any other action, if any such election, action or omission would have the effect of increasing the tax liability or reducing any tax asset of the Company or any of its subsidiaries.

The Merger Agreement would require the Company and each of its subsidiaries to establish or cause to be established in accordance with GAAP on or before the effective time of the Proposed Merger an adequate accrual

for all taxes due with respect to any tax period prior to the effective time of the Proposed Merger or for any period beginning before, and ending after, the effective time of the Proposed Merger.

The Merger Agreement would prohibit the Company and its subsidiaries from taking any action that would reasonably be likely to prevent the Proposed Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code and require the Company and its subsidiaries to use their best efforts to cause the Proposed Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code.

**Affiliates.** The Merger Agreement would require that, at least 40 days prior to the effective time of the Proposed Merger, the Company (a) deliver to Tyson a letter identifying all known Persons who may be deemed affiliates of the Company for the purposes of Rule 145 of the Securities Act of 1933, as amended (the "Securities Act") and (b) obtain a written agreement in an agreed upon form from each person who may be so deemed, as soon as practicable and, in any event, at least 30 days prior to the effective time of the Proposed Merger.

### **Covenants of Tyson**

The Merger Agreement contemplates that Tyson will agree to comply with various covenants.

**Tyson Stockholder Meeting.** Tyson will cause a meeting of its stockholders to be duly called and held as soon as reasonably practicable for the purpose of voting on the issuance of Tyson Class A Common Stock in the Proposed Merger and pursuant to Tyson Options after the Proposed Merger.

**Confidentiality.** Tyson will agree that the Confidentiality Agreement dated December 4, 2000 between it and the Company shall continue in full force and effect prior to the effective time of the Proposed Merger and after any termination of the Merger Agreement.

**Voting of Shares.** Each of Tyson and Purchaser will agree to vote all Shares beneficially owned by it or any of its subsidiaries in favor of adoption of the Merger Agreement at the Company stockholder meeting, and at any adjournment.

**Director and Officer Liability.** Tyson will agree that for six years after the effective time of the Proposed Merger, it will cause the Surviving Corporation to indemnify and hold harmless the present and former officers and directors of the Company in respect of acts or omissions occurring prior to the effective time of the Proposed Merger to the extent provided under the Company's articles of incorporation and bylaws in effect on the date of the Merger Agreement; provided that such indemnification will be subject to any limitation imposed from time to time under applicable law. In addition, Tyson will agree that for six years after the effective time of the Proposed Merger, Tyson will cause the Surviving Corporation to use its best efforts to provide officers' and directors' liability insurance in respect of acts or omissions occurring prior to the effective time of the Proposed Merger covering each such officer and director currently covered by the Company's officers' and directors' liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date hereof, provided that if the aggregate annual premiums for such insurance at any time during such period shall exceed 200% of the per annum rate of premium paid by the Company in its last full fiscal year for such insurance, then Tyson shall cause the Surviving Corporation to provide only such coverage as shall then be available at an annual premium equal to 200% of such rate.

**Employee Matters.** Tyson will agree that, subject to applicable law, the Surviving Corporation and its subsidiaries will provide benefits to their employees which will, in the aggregate, be comparable to those currently provided by Tyson and its subsidiaries to their employees; provided, however, that this provision will not apply to any employees represented for purposes of collective bargaining.

**Obligations of Purchaser.** Tyson will agree to take all action necessary to cause Purchaser to perform its obligations under the Merger Agreement and to consummate the Proposed Merger on the terms and conditions set forth in the Merger Agreement.

Stock Exchange Listing. Tyson will agree to use its reasonable best efforts to cause the shares of Tyson Class A Common Stock to be issued in connection with the Proposed Merger to be listed on the NYSE, subject to official notice of issuance.

Acquisitions of Shares. Tyson and Purchaser will agree not to acquire any Shares prior to the effective time of the Proposed Merger or the termination of the Merger Agreement, other than Shares purchased pursuant to the Amended Offer.

Notices of Certain Events. Tyson will agree to promptly notify the Company of (a) any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by the Merger Agreement, (b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by the Merger Agreement, and (c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting Tyson or any of its subsidiaries which relate to the consummation of the transactions contemplated by the Merger Agreement.

Reorganization Matters. Tyson will agree that neither it nor any of its subsidiaries will take any action that would reasonably be likely to prevent the Proposed Merger from qualifying as a reorganization under Section 368(a) of the Internal Revenue Code and, prior to the effective time of the Proposed Merger, Tyson and its subsidiaries will use their reasonable best efforts to cause the Proposed Merger to so qualify.

Information Relating to Offer. Tyson will agree to cause any depository or agent effecting the Amended Offer, to provide to the Company promptly as requested from time to time by the Company current information regarding the status of the Offer and the number of Shares tendered and not validly withdrawn.

Conduct of Tyson. Tyson will agree that, from the date of the Merger Agreement until the effective time of the Proposed Merger, it will conduct its business in the ordinary course consistent with past practice and shall use its reasonable best efforts to preserve intact its business organizations and relationships with third parties and to keep available the services of its present officers and employees.

### **Mutual Covenants of Tyson and the Company**

The Merger Agreement contemplates that Tyson and the Company will agree to comply with various mutual covenants.

Company Proxy Statement and Form S-4. The Merger Agreement provides that the Company will promptly prepare its proxy statement (the "Company Proxy Statement") for soliciting proxies to vote at the special meeting of stockholders called to vote on the Merger Agreement and the Proposed Merger. Tyson will agree to promptly prepare and file with the SEC the Registration Statement on Form S-4 containing information required by Regulation S-K under the Exchange Act (the "Form S-4"), in which the Company Proxy Statement will be included. Pursuant to the Merger Agreement the Company, Tyson and Purchaser will cooperate with each other in the preparation of the Form S-4 and any amendment or supplement thereto, and each will notify the other of the receipt of any comments of the SEC with respect to the Form S-4 and of any requests by the SEC for any amendment or supplement thereto or for additional information, and will provide to the other promptly copies of all correspondence between Tyson or the Company, as the case may be, or any of its Representatives and the SEC with respect to the Form S-4. Tyson will agree to give the Company and its counsel the opportunity to review the Form S-4 and all responses to requests for additional information by and replies to comments of the SEC before their being filed with, or sent to, the SEC. The Merger Agreement provides that each of the Company, Tyson and Purchaser will use its best efforts, after consultation with the other parties, to respond promptly to all such comments of and requests by the SEC and use its reasonable best efforts to cause the Form S-4 to be declared effective by the SEC as promptly as practicable. Tyson will agree to promptly take any action (other than qualifying as a foreign corporation or taking any action which would subject it to service of process in any jurisdiction where Tyson is not now so qualified or subject) required to be taken under foreign or state

securities or Blue Sky laws in connection with the issuance of Tyson Class A Common Stock in the Proposed Merger. The Merger Agreement contemplates that, as promptly as practicable after the Form S-4 shall have become effective, Tyson and the Company shall fully cooperate with each other to cause the Proxy Statement/Prospectus contained in the Form S-4 to be mailed to stockholders of the Company and Tyson. Tyson will agree to advise the Company, promptly after it receives notice thereof, of (i) the time when the Form S-4 becomes effective, (ii) the issuance of any stop order with respect to the Form S-4, (iii) the suspension of the qualification of Tyson Class A Common Stock for offering or sale in any jurisdiction, or (iv) any request by the SEC for an amendment of the Form S-4 or comments thereon and responses thereto or requests by the SEC for additional information.

**Best Efforts.** The Merger Agreement provides that each party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by the Merger Agreement. Each party will refrain from taking, directly or indirectly, any action contrary to or inconsistent with the provisions of the Merger Agreement, including action which would interfere with the Amended Offer or impair such party's ability to consummate the Proposed Merger. The Merger Agreement provides that the Company and its board of directors will use their reasonable best efforts to (a) take all action necessary so that no state takeover statute or similar statute or regulation is or becomes applicable to the Amended Offer, the Proposed Merger or any of the other transactions contemplated by the Merger Agreement and (b) if any state takeover statute or similar statute or regulation becomes applicable to any of the foregoing, take all action necessary so that the Amended Offer, the Proposed Merger and the other transactions contemplated by the Merger Agreement may be consummated as promptly as practicable on the terms contemplated by the Merger Agreement and otherwise to minimize the effect of such statute or regulation on the Amended Offer and the Proposed Merger. The Merger Agreement provides that each of Tyson and the Company will use its best efforts to eliminate any impediment under any antitrust, competition or trade regulation laws that may be asserted by any governmental entity with respect to the Amended Offer or the Proposed Merger so as to enable the Proposed Merger to occur as soon as reasonably practicable.

**Certain Filings.** The Merger Agreement contemplates that the Company and Tyson will use their respective reasonable best efforts to take or cause to be taken, (i) all actions necessary, proper or advisable by such party with respect to the prompt preparation and filing with the SEC of their SEC disclosure documents, and (ii) such actions as may be required to have the Company Proxy Statement cleared and the Form S-4 declared effective by the SEC, in each case as promptly as practicable. The Merger Agreement provides that the Company and Tyson shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any governmental body, agency or official, or authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with or as a result of the consummation of the transactions contemplated by the Merger Agreement and (ii) in seeking any such actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith or with the parties' SEC disclosure documents and seeking timely to obtain any such actions, consents, approvals or waivers.

**Public Announcements.** The Merger Agreement will require each of Tyson and the Company to consult with each other before issuing any press release or making any public statement with respect to the Merger Agreement and to not issue any such press release or make any such public statement prior to such consultation.

### **Conditions to the Merger**

The Merger Agreement provides that the obligations of the Company, Tyson and Purchaser to consummate the Proposed Merger are subject to the satisfaction or, to the extent permitted by law, waiver of the following conditions:

- (a) the Merger Agreement will have been approved and adopted by the stockholders of the Company in accordance with Delaware Law;

(b) any applicable waiting period under the HSR Act (as defined below) relating to the Amended Offer and the Proposed Merger will have expired or been terminated;

(c) no provision of any applicable law or regulation and no judgment, injunction, order or decree prohibits the consummation of the Merger;

(d) the Form S-4 will have been declared effective, no stop order suspending the effectiveness of the Form S-4 will be in effect and no proceedings for such purpose will be pending before or threatened by the SEC;

(e) the shares of Tyson Class A Common Stock to be issued in the Proposed Merger will have been approved for listing on the NYSE, subject to official notice of issuance; and

(f) Tyson will have received an opinion of Milbank, Tweed, Hadley & McCloy LLP in an agreed upon form.

The Merger Agreement provides that the obligation of the Company to consummate the Proposed Merger is also subject to the following conditions:

(a) Purchaser will have purchased Shares pursuant to the Offer;

(b) The Company will have received an opinion of Wachtell, Lipton, Rosen & Katz in an agreed upon form.

### **Termination**

The Merger Agreement provides that it may be terminated and the Proposed Merger may be abandoned at any time prior to the effective time of the Proposed Merger (notwithstanding any approval of the Merger Agreement by the stockholders of the Company):

(a) by mutual written agreement of the Company and Tyson;

(b) by either the Company or Tyson, if the Amended Offer has not been consummated on or before February 28, 2001; provided that this right to terminate the Merger Agreement is not available to any party whose breach of any provision of the Merger Agreement results in the failure of the Amended Offer to be consummated by February 28, 2001;

(c) by either the Company or Tyson if there is any law or regulation that makes acceptance for payment of, and payment for, the Shares pursuant to the Offer, or consummation of the Proposed Merger illegal or otherwise prohibited or any judgment, injunction, order or decree of any court or governmental body having competent jurisdiction permanently enjoins Purchaser from accepting for payment of, and paying for, the Shares pursuant to the Amended Offer or Purchaser, the Company or Tyson from consummating the Proposed Merger and such judgment, injunction, order or decree has become final and nonappealable; or

(d) by Tyson, prior to the purchase of the Shares pursuant to the Amended Offer, if the board of directors of the Company shall have withdrawn, or modified or amended in a manner adverse to Tyson, its approval or recommendation of the Merger Agreement, the Amended Offer and the Proposed Merger or its recommendation that the stockholders of the Company tender their Shares pursuant to the Amended Offer, adopt and approve the Merger Agreement and the Proposed Merger or approved, recommended or endorsed any proposal for a transaction other than such transactions (including a tender or exchange offer for Shares) or if the Company has failed to call its stockholder meeting or failed to mail the Company Proxy Statement to its stockholders within 20 days after the Form S-4 is declared effective by the SEC or failed to include in such statement the recommendation referred to above; or

(e) by the Company, if (i) the board of directors of the Company authorizes the Company, subject to complying with the terms of the Merger Agreement, to enter into a binding written agreement concerning a transaction that constitutes a Superior Proposal and the Company notifies Tyson in writing at least three

days prior to the proposed effectiveness of such termination that it intends to enter into such an agreement, attaching a description of the material terms and conditions thereof and permits Tyson, within such three business day period to submit a new offer, which shall be considered by the Special Committee in good faith (it being understood that the Company shall not enter into any such binding agreement during such three day period) and

(ii) the Company prior to such termination pays to Tyson in immediately available funds the Termination Fee (defined below) and the fees required to be paid pursuant to the Merger Agreement; or

(f) by Tyson, if prior to the acceptance for payment of the Shares under the Amended Offer, there has been a breach by the Company of any representation, warranty, covenant or agreement contained in the Merger Agreement that is not curable and such breach would give rise to a failure of the condition to the Merger Agreement; or

(g) by the Company, if prior to the acceptance for payment of the Shares under the Offer there has been a breach by Tyson of any representation, warranty, covenant or agreement contained in the Merger Agreement that is not curable and such breach would give rise to a failure of the condition to the Merger Agreement (which shall be construed to apply to Tyson); or

(h) by either the Company or Tyson if, at a duly held stockholders meeting of the Company or any adjournment thereof at which the Merger Agreement and the Proposed Merger are voted upon, the requisite stockholder adoption and approval shall not have been obtained.

### **Fees and Expenses**

It is contemplated that, except as otherwise specified below, all fees and expenses incurred in connection with the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring such expenses.

The Merger Agreement provides that the Company will pay Tyson \$70 million (the "Termination Fee") if the Merger Agreement is terminated (i) pursuant to

(d) or (e) under "Termination" above; or (ii) pursuant to (b), (f) or (h) under "Termination" above if at the time of such termination (or, in the case of a termination pursuant to (h) under "Termination" above, at the time of the stockholders meeting), there shall have been outstanding an Acquisition Proposal pursuant to which stockholders of the Company would receive cash, securities or other consideration having an aggregate value in excess of \$26.00 per Share, and within six months of any such termination the Company enters into a definitive agreement for or consummates such Acquisition Proposal or another Acquisition Proposal with a higher per Share value than such Acquisition Proposal.

The Merger Agreement provides that if it is terminated as described in (d),

(e) or (f) under "Termination" above, the Company shall reimburse Tyson and its affiliates not later than two business days after submission of reasonable documentation thereof for 100% of their documented out-of-pocket fees and expenses (including, without limitation, the reasonable fees and expenses of their counsel and investment banking fees), actually incurred by any of them or on their behalf in connection with this Agreement and the transactions contemplated hereby subject to a maximum reimbursement amount of \$7,500,000.

### **Amendments**

At any time prior to the effective time of the Proposed Merger, the Merger Agreement may be amended by an instrument signed by Tyson, Purchaser and the Company. However, after adoption of the Merger Agreement by the stockholders of the Company, the Merger Agreement may not be amended by any amendment which by law requires the further approval of the stockholders of the Company unless the stockholders of the Company have given their approval.

## 12. Purpose and Structure of the Offer; Plans for the Company; Dissenters' Rights.

**Purpose of the Offer.** The purpose of the Offer is to acquire control of the Company through the acquisition of a number of Shares which, together with Shares owned by Tyson, represent 50.1% of the outstanding Shares. The Offer, as the first step in the acquisition of the Company, is intended to facilitate the acquisition of the Company. The purpose of the Proposed Merger is to acquire all outstanding Shares not tendered and purchased pursuant to the Offer. If the Offer is successful, we intend to consummate the Proposed Merger as promptly as practicable. Upon consummation of the Proposed Merger, the Company will become a wholly-owned subsidiary of Tyson.

If a definitive merger agreement is entered into by the Company, Tyson and Purchaser, the Company Board will be required to submit the Proposed Merger to the Company's stockholders for approval at a stockholders' meeting convened for that purpose in accordance with Delaware Law. The Proposed Merger must be approved by a majority vote of the outstanding Shares cast by stockholders at a meeting at which a quorum is present.

If the Minimum Condition and the Section 203 Condition are satisfied, we will, upon consummation of the Offer, have sufficient voting power to ensure approval of the Proposed Merger at the stockholders' meeting without the affirmative vote of any other stockholder.

Tyson has delivered to the Company a form of merger agreement, which is summarized herein. Tyson intends to continue to seek to negotiate with the Company with respect to the acquisition of the Company based on this form of merger agreement. If such negotiations result in a definitive merger agreement between the Company and Tyson, certain material terms of the Offer may change. Accordingly, such negotiations could result in, among other things, modification, extension or termination of the Offer and submission of a different acquisition proposal to the Company's stockholders for approval.

**Plans for the Company.** The acquisition of the Company will allow Tyson to expand its business to include the processing and marketing of beef and pork products. Tyson plans to use its expertise to accelerate the Company's program to develop value-added convenience foods and case ready retail products in beef and pork.

Except as otherwise provided herein, it is currently expected that, following the Proposed Merger, the business and operations of the Company will be continued substantially as they are currently being conducted. We will continue to evaluate the business and operations of the Company during the pendency of the Offer and after the consummation of the Offer and the Proposed Merger and will take such actions as we deem appropriate under the circumstances. Except as described above or elsewhere in this Offer to Purchase, we have no present plans or proposals that would relate to or result in an extraordinary corporate transaction involving the Company or any of its subsidiaries (such as a merger, reorganization, liquidation, relocation of any operations or sale or other transfer of a material amount of assets), any change in the Company Board or management, any material change in the Company's capitalization or dividend policy or any other material change in the Company's corporate structure or business.

**Appraisal Rights.** Appraisal rights are not available in the Offer. Appraisal rights will not be available to holders of the Shares in connection with the Proposed Merger if both of the following are true:

. if at the date fixed to determine the stockholders entitled to notice of and to vote on the Proposed Merger, the Common Stock is registered on a national securities exchange or traded on Nasdaq, and

. if the shares of Tyson Class A Common Stock at the effective time of the Proposed Merger will be either listed on a national securities exchange or traded on Nasdaq.

As of the date of this Offer to Purchase, the Shares and the Tyson Class A Common Stock are each listed on the NYSE.

**13. Effect of the Offer on the Market for the Shares; Stock Exchange Listing(s); Registration under the Exchange Act.** If the Proposed Merger is consummated, stockholders who have not tendered their Shares

in the Offer will receive shares of Tyson Class A Common Stock with a market value equal to \$26.00 if, during the relevant pricing period before the merger, the average per share price of Tyson Class A Common Stock is at least \$12.60 and no more than \$15.40. This \$26.00 value is subject to change if the average per share price of Tyson Class A Common Stock is not in that range and the value you will receive will be proportionately changed. If, however, the Proposed Merger is not consummated, the purchase of Shares pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and may reduce the number of holders of Shares, which could adversely affect the liquidity and market value of the remaining Shares held by stockholders other than Tyson. We cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the Shares or whether such reduction would cause future market prices to be greater or less than the Offer price.

Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements for continued listing in the NYSE. According to the published guidelines of the NYSE, the NYSE would normally give consideration to delisting the Shares when, among other things:

- . the total number of holders of Shares is less than 400,
- . the total number of holders of Shares is less than 1,200 and the average monthly trading volume over the most recent 12 month period is less than 100,000 Shares,
- . the number of publicly held Shares (excluding the holdings of officers, directors and their families and other concentrated holdings of 10% or more) is less than 600,000,
- . the Company's total global market capitalization is less than \$50.0 million and the total shareholders' equity is less than \$50.0 million,
- . the Company's average global market capitalization over a consecutive 30-trading-day period is less than \$15.0 million, or
- . the average closing price per Share is less than \$1.00 over a consecutive 30-trading-day period.

If, as a result of the purchase of Shares pursuant to the Offer, the Shares no longer meet the requirements for continued listing in NYSE and the listing of Shares is discontinued, the market for the Shares could be adversely affected.

If the NYSE were to delist the Shares, it is possible that the Shares would trade on another securities exchange or in the over-the-counter market and that price quotations for the Shares would be reported by such exchange or through other sources. The extent of the public market for the Shares and availability of such quotations would, however, depend upon such factors as the number of holders and/or the aggregate market value of the publicly-held Shares at such time, the possible termination of registration of the Shares under the Exchange Act and other factors. The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of such Shares. Depending upon factors similar to those described above regarding listing and market quotations, the Shares might no longer constitute "margin securities" for the purposes of the Federal Reserve Board's margin regulations and, therefore, could no longer be used as collateral for loans made by brokers.

Registration may be terminated upon application of the Company to the SEC if the Shares are neither listed on a national securities exchange nor held by 300 or more holders of record. Termination of the registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to holders of Shares and to the SEC and would make certain of the provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy statement pursuant to Section 14(a) in connection with a stockholder's meeting and the related requirement of an annual report to stockholders and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the Shares. Furthermore, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities

pursuant to Rule 144 promulgated under the Securities Act. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or eligible for listing or Nasdaq National Market reporting.

14. Dividends and Distributions. If on or after December 11, 2000, the Company should split, combine or otherwise change the Shares or its capitalization, acquire or otherwise cause a reduction in the number of outstanding Shares or issue or sell any additional Shares (other than Shares issued pursuant to and in accordance with the terms in effect on December 11, 2000 of employee stock options outstanding prior to such date), shares of any other class or series of capital stock, other voting securities or any securities convertible into, or options, rights, or warrants, conditional or otherwise, to acquire, any of the foregoing, then, without prejudice to our rights under "The Offer--Conditions to the Offer", we may, in our sole discretion, make such adjustments in the purchase price and other terms of the Offer as we deem appropriate including the number or type of securities to be purchased.

15. Conditions to the Offer. Notwithstanding any other provision of the Offer, we are not required to accept for payment or pay for any Shares, and we may terminate the Offer, if:

(1) prior to the Expiration Date, any of the Minimum Condition, the Merger Agreement Condition or the Section 203 Condition, in Tyson's sole discretion, has not been satisfied, or any waiting periods under applicable antitrust laws shall not have expired or been terminated; and

(2) at any time on or after December 11, 2000 and prior to the Expiration Date, any of the following conditions exists:

(a) there shall have been any law or order promulgated, entered, enforced, enacted, issued or deemed applicable to the Offer or the Proposed Merger by any court of competent jurisdiction or other competent governmental or regulatory authority which, directly or indirectly, (1) prohibits, or imposes any material limitations on, Tyson's or Purchaser's ownership or operation (or that of any of their respective subsidiaries or affiliates) of any portion of their or the Company's businesses or assets which is material to the business of all such entities taken as a whole, or compels Tyson or Purchaser (or their respective subsidiaries or affiliates) to dispose of or hold separate any portion of their or the Company's business or assets which is material to the business of all such entities taken as a whole, (2) prohibits, restrains or makes illegal the acceptance for payment, payment for or purchase of Shares pursuant to the Offer or the consummation of the Proposed Merger, (3) imposes material limitations on the ability of Purchaser or Tyson (or any of their respective subsidiaries or affiliates) effectively to acquire or to hold or to exercise full rights of ownership of the Shares purchased pursuant to the Offer including, without limitation, the right to vote such Shares on all matters properly presented to the Company's stockholders, (4) imposes material limitations on the ability of Purchaser or Tyson (or any of their respective subsidiaries or affiliates) effectively to control in any material respect any material portion of the business or assets of the Company and its subsidiaries taken as a whole, or (5) otherwise materially adversely affects the Company and its subsidiaries taken as a whole;

(b) there shall be instituted or pending any action, suit or proceeding brought by a governmental or regulatory authority (1) challenging or seeking to make illegal the acquisition by Tyson or Purchaser of Shares or otherwise seeking to restrain or prohibit the making or consummation of the Offer or the Proposed Merger or (2) that could reasonably be expected to result, directly or indirectly, in any of the consequences referred to in clauses (1) through (5) of paragraph (a) above;

(c) there shall have occurred (1) any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market, (2) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (3) a commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States which has a material adverse effect on general economic conditions in the United States, (4) any limitation (whether or not mandatory) by any United States Governmental or Regulatory Authority on the extension of credit by

banks or other financial institutions, (5) any decline in either the Dow Jones Industrial Average or the Standard & Poor's 500 Index by an amount in excess of a percentage to be agreed with the Company measured from the close of business on the date of the Offer or (6) in the case of any of the foregoing (other than clause (5)) existing at the time of the Offer, a material acceleration or worsening thereof;

(d) there shall have been any change, event or development having, or that could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the condition (financial or otherwise), business, assets, liabilities or results of operations of the Company and its subsidiaries taken as a whole;

(e) Tyson, Purchaser and the Company shall have agreed that Purchaser shall amend the Offer to terminate the Offer or postpone the payment for Shares thereunder; or

(f) any person (which includes a "person" as such term is defined in Section 13(d)(3) of the Exchange Act) other than Purchaser, any of its affiliates, or any group of which any of them is a member shall have acquired beneficial ownership of more than 5% of the outstanding Shares, or any group shall have been formed which beneficially owns more than 5% of the outstanding Shares of Company Common Stock, in each case other than any person or group that has disclosed such ownership prior to the date of the Offer, and no such person or group shall have increased its beneficial ownership in the Company by more than 1% of the outstanding Shares;

which, in the reasonable judgment of Tyson in any such case, and regardless of the circumstances (including any action or omission by Tyson but excluding any willful action or omission by Tyson) giving rise to any such condition, makes it inadvisable to proceed with the Offer or with such acceptance for payment or payment.

16. Certain Legal Matters; Regulatory Approvals. General. We are not aware of any governmental license or regulatory permit that appears to be material to the Company's business that might be adversely affected by our acquisition of Shares pursuant to the Offer or, except as set forth below, of any approval or other action by any government or governmental administrative or regulatory authority or agency, domestic or foreign, that would be required for our acquisition or ownership of Shares pursuant to the Offer. Should any such approval or other action be required, we currently contemplate that, such approval or other action will be sought. There can be no assurance that any such approval or other action, if needed, would be obtained (with or without substantial conditions) or that if such approvals were not obtained or such other actions were not taken adverse consequences might not result to the Company's business or certain parts of the Company's business might not have to be disposed of, any of which could cause us to elect to terminate the Offer without the purchase of Shares thereunder. Our obligation under the Offer to accept for payment and pay for Shares is subject to certain conditions. See "The Offer--Conditions to the Offer".

State Takeover Laws. Section 203 of the DGCL, in general, prohibits a Delaware corporation such as the Company from engaging in a "business combination" (defined as a variety of transactions, including mergers) with an "interested stockholder" (defined generally as a person that is the beneficial owner of 15% or more of a corporation's outstanding voting stock) for a period of three years following the time that such person became an interested stockholder unless, among other things, prior to the time such person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder. The Offer is conditioned upon, among other things, that Tyson is satisfied, in its sole discretion, that Section 203 of the DGCL is inapplicable to the Offer and the Proposed Merger.

A number of states have adopted takeover laws and regulations that purport to be applicable to attempts to acquire securities of corporations that are incorporated in those states or that have substantial assets, stockholders, principal executive offices or principal places of business in those states. To the extent that these state takeover statutes purport to apply to the Offer or the Proposed Merger, we believe that those laws conflict with U.S. federal law and are an unconstitutional burden on interstate commerce. In 1982, the Supreme Court of the United States, in *EDGAR v. MITE CORP.*, invalidated on constitutional grounds the Illinois Business Takeover Statute, which,

as a matter of state securities law, made takeover of corporations meeting certain requirements more difficult. The reasoning in that decision is likely to apply to certain other state takeover statutes. In 1987, however, in *CTS CORP. v. DYNAMICS CORP. OF AMERICA*, the Supreme Court of the United States held that the State of Indiana could as a matter of corporate law and, in particular, those aspects of corporate law concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without the prior approval of the remaining stockholders, as long as those laws were applicable only under certain conditions. Subsequently, in *TLX ACQUISITION CORP. v. TELEX CORP.*, a federal district court in Oklahoma ruled that the Oklahoma statutes were unconstitutional insofar as they apply to corporations incorporated outside Oklahoma, because they would subject those corporations to inconsistent regulations. Similarly, in *TYSON FOODS, INC. v. MCREYNOLDS*, a federal district court in Tennessee ruled that four Tennessee takeover statutes were unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United State Court of Appeals for the Sixth Circuit. In December 1988, a federal district court in Florida held, in *GRAND METROPOLITAN PLC v. BUTTERWORTH*, that the provisions of the Florida Affiliated Transactions Act and Florida Control Share Acquisition Act were unconstitutional as applied to corporations incorporated outside of Florida.

We have not attempted to comply with any state takeover statutes in connection with this Offer or the Proposed Merger. We reserve the right to challenge the validity or applicability of any state law allegedly applicable to the Offer or the Proposed Merger, and nothing in this Offer to Purchase nor any action that we take in connection with the Offer is intended as a waiver of that right. In the event that it is asserted that one or more takeover statutes apply to the Offer or the Proposed Merger, and it is not determined by an appropriate court that the statutes in question do not apply or are invalid as applied to the Offer or the Proposed Merger, as applicable, we may be required to file certain documents with, or receive approvals from, the relevant state authorities, and we might be unable to accept for payment or purchase Shares tendered in the Offer or be delayed in continuing or consummating the Offer. In that case, we may not be obligated to accept for purchase, or pay for, any Shares tendered. See Section 15.

**Antitrust.** Under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and the rules that have been promulgated thereunder by the Federal Trade Commission (the "FTC"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied. The purchase of Shares pursuant to the Offer is subject to such requirements.

Pursuant to the requirements of the HSR Act, Tyson intends to file a Notification and Report Form with respect to the Offer and the Proposed Merger with the Antitrust Division and the FTC on December 12, 2000. As a result, the waiting period applicable to the purchase of Shares pursuant to the Offer is scheduled to expire at 11:59 P.M., New York City time, on Wednesday, December 27, 2000. However, prior to such time, the Antitrust Division or the FTC may extend the waiting period by requesting additional information or documentary material relevant to the Offer from us. If such a request is made, the waiting period will be extended until 11:59 P.M., New York City time, on the tenth day after our substantial compliance with such request. Thereafter, such waiting period can be extended only by court order. A request will be made pursuant to the HSR Act for early termination of the waiting period applicable to the Offer. There can be no assurance, however, that the 15-day HSR Act waiting period will be terminated early.

Shares will not be accepted for payment or paid for pursuant to the Offer until the expiration or earlier termination of the applicable waiting period under the HSR Act. See "The Offer--Conditions to the Offer". Any extension of the waiting period will not give rise to any withdrawal rights not otherwise provided for by applicable law. See "The Offer--Withdrawal Rights". Subject to certain circumstances described in "The Offer--Extension of Tender Period", any extension of the waiting period will not give rise to any withdrawal rights not otherwise provided for by applicable law. If our acquisition of Shares is delayed pursuant to a request by the Antitrust Division or the FTC for additional information or documentary material pursuant to the HSR Act, the Offer may be extended.

The Antitrust Division and the FTC frequently scrutinize the legality under the antitrust laws of transactions such as our acquisition of Shares pursuant to the Offer. At any time before or after the consummation of any such transactions, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or seeking divestiture of the Shares so acquired or divestiture of Tyson's or the Company's substantial assets. Private parties (including individual states) may also bring legal actions under the antitrust laws. We do not believe that the consummation of the Offer will result in a violation of any applicable antitrust laws. However, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made, or if such a challenge is made, what the result will be. See "The Offer--Conditions to the Offer" for certain conditions to the Offer, including conditions with respect to litigation and certain governmental actions.

17. Fees and Expenses. Merrill Lynch is acting as Tyson's exclusive financial advisor in connection with the Offer and the Proposed Merger. Tyson and the Purchaser have also engaged Merrill Lynch to act as the Dealer Manager in connection with the Offer. Pursuant to its engagement letter with Merrill Lynch, Tyson has agreed to pay Merrill Lynch, as compensation for its services as financial advisor, a transaction fee of \$14 million payable upon the acceptance for payment by the Purchaser of Shares pursuant to the Offer, against which a fee of \$2 million payable to Merrill Lynch upon commencement of the Offer will be credited. Tyson has also agreed to reimburse Merrill Lynch for its reasonable out-of-pocket expenses incurred in connection with Merrill Lynch's engagement, including the reasonable fees and disbursements of counsel, and to indemnify Merrill Lynch against certain liabilities, including certain liabilities under the federal securities laws.

Tyson has retained MacKenzie Partners, Inc. to act as the Information Agent and Wilmington Trust Company to act as the Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telegraph and personal interviews and may request brokers, dealers, banks, trust companies and other nominees to forward materials relating to the Offer to beneficial owners. The Information Agent and the Depositary each will receive reasonable and customary compensation for their respective services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection therewith, including certain liabilities under the federal securities laws.

We will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Manager, the Information Agent and the Depositary) for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by us for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

18. Miscellaneous. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, we may, in our discretion, take such action as we may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Shares in such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of Purchaser or Tyson not contained in this Offer to Purchase or in the Letter of Transmittal and, if given or made, such information or representation must not be relied upon as having been authorized.

We have filed with the SEC a Tender Offer Statement on Schedule TO, together with exhibits, pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, furnishing certain additional information with respect to the Offer. The Schedule TO and any amendments thereto, including exhibits, may be examined and copies may be obtained from the offices of the SEC in the manner set forth in "The Offer--Certain Information Concerning Purchaser and Tyson--Available Information" of this Offer to Purchase (except that such information will not be available at the regional offices of the SEC).

**TYSON FOODS, INC.**

**LASSO ACQUISITION CORPORATION**

December 12, 2000

## SCHEDULE I

### DIRECTORS AND EXECUTIVE OFFICERS OF TYSON AND PURCHASER

The name, current principal occupation or employment and material occupations, positions, offices or employment for the past five years, of each director and executive officer of Tyson are set forth below. References herein to "Tyson" mean Tyson Foods, Inc. Unless otherwise indicated below, the business address of each director and officer is c/o Tyson Foods, Inc., 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999. Where no date is shown, the individual has occupied the position indicated for the past five years. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Tyson. Except as described herein, none of the directors and officers of Tyson listed below has, during the past five years,

(i) been convicted in a criminal proceeding or (ii) been a party to any judicial or administrative proceeding that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws. All directors and officers listed below are citizens of the United States.

On August 22, 1996, Don Tyson entered into a Stipulation and Consent with the SEC pursuant to which Mr. Tyson, without admitting or denying any wrongdoing, consented and agreed to the entry of a Final Judgment permanently enjoining him from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and requiring the payment of a civil money penalty of \$46,125. The Stipulation and Consent was entered as a Final Judgment on October 8, 1996, by the United States District Court for the Western District of Arkansas. The Stipulation and Consent arose as a result of the SEC's investigation of certain purchases and sales of common stock of Arctic Alaska Fisheries Corporation by Fred Cameron, an acquaintance of Mr. Tyson, in June 1992.

### DIRECTORS AND EXECUTIVE OFFICERS OF TYSON

Name	Current Principal Occupation or Employment and Five-Year Employment History
Don Tyson.....	Senior Chairman of Tyson's Board, served as Chairman of Tyson's Board until April 1995 when he was named Senior Chairman. Mr. Tyson served as Chief Executive Officer until March 1991 and has been a member of Tyson's Board since 1952.
John H. Tyson.....	Chairman of Tyson's Board since October 1, 1998 and assumed responsibilities as President and Chief Executive Officer in April 2000. He previously served as Vice Chairman since 1997 and President of the Beef and Pork Division since 1993. Mr. Tyson has been a member of Tyson's Board since 1984.
Joe F. Starr.....	A private investor, served as a Vice President of Tyson until 1996. Mr. Starr has been a member of the Board since 1969.
Leland E. Tollett..	Served as Chairman and Chief Executive Officer from 1995 to 1998. An employee of Tyson since 1959, Mr. Tollett was President and Chief Executive Officer from 1991 to 1995. Mr. Tollett has been a member of Tyson's Board since 1984.
Shelby Massey.....	Farmer and a private investor. He served as Senior Vice Chairman of Tyson's Board from 1985 to 1988 and has been a member of Tyson's Board since 1985.
Barbara A. Tyson...	Vice President of Tyson. Ms. Tyson has served in related capacities since 1988. Ms. Tyson has been a member of Tyson's Board since 1988.
Lloyd V. Hackley...	President and Chief Executive Officer of Lloyd V. Hackley and Associates, Inc. He is a director of Branch Banking and Trust Corporation headquartered in Winston-Salem, North Carolina. He was president of the North Carolina Community College System from 1995 to 1997. Mr. Hackley has been a member of Tyson's Board since 1992.

Name	Current Principal Occupation or Employment and Five-Year Employment History
Donald E. Wray.....	Retired as President of the Tyson in March 2000 after 39 years with Tyson in various capacities. Mr. Wray has served as President and Chief Operating Officer from 1995 to 1999 after serving as Chief Operating Officer since 1991. Mr. Wray has been a member of Tyson's Board since 1994.
Gerald M. Johnston..	Private investor, was Executive Vice President of Finance for Tyson from 1981 to 1996 when he retired and became a consultant to the Company. He is a director of Fairfield Communities, Inc. Mr. Johnston has been a member of Tyson's Board since 1996.
Jim Kever.....	Director of Quintiles Transnational ("Quintiles") since May 6, 1999 and has served as Chief Executive Officer of Envoy Corporation ("Envoy"), subsidiary of Quintiles, since Envoy was acquired by Quintiles in March 1999. Mr. Kever served as President and Co-Chief Executive Officer of Envoy from August 1995 until March 1999 and as a director from Envoy's incorporation in August 1994 until March 1999. Mr. Kever also is a director of Transaction System Architects, Inc., a supplier of electronic payment software products and network integration solutions, and 3D Systems Corporation, a manufacturer of technologically advanced solid imaging systems and prototype models. Mr. Kever has been a member of Tyson's Board since May 1999.
David A. Jones.....	Chairman and Chief Executive Officer of Rayovac Corporation since 1996. Before joining Rayovac, Mr. Jones served as President, Chief Executive Officer and Chairman of Thermoscan, Inc. and as President, Chief Executive Officer and Chairman of Regina Company. He was previously with Electrolux Corporation and General Electric Co. Mr. Jones is also a director of SCI, Inc., an electronics manufacturer, and Spectrum Brands, a specialty chemical manufacturer. Mr. Jones was elected to the Board in August 2000.
Barbara Allen.....	President and Chief Operating Officer of Paladin Resources and has served in those capacities since 1999. Before joining Paladin Resources, Ms. Allen was President of Corporate Supplier Solutions for Corporate Express from 1998 to 1999. Previously, she was with Quaker Oats Co. for 23 years where she held several senior positions including Executive Vice President of International Foods, Vice President of Corporate Strategic Planning, President of the Frozen Foods Division and Vice President of Marketing. Ms. Allen is also a director of Maytag Corporation and Chart House Enterprises. Ms. Allen was elected to the Board in November 2000.
Neely E. Cassady....	Chairman of the Board and President of Cassady Investments, Inc. and served as a Senator in the Arkansas General Assembly from 1983 to 1996. Mr. Cassady has been a member of the Board since 1974.
Fred Vorsanger.....	Private business consultant, manager of Bud Walton Arena and Vice President Emeritus of Finance and Administration at the University of Arkansas. He is a director of McIlroy Bank & Trust of Fayetteville, Arkansas. Mr. Vorsanger has been a member of the Board since 1977.

## DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER

The name, current principal occupation or employment and material occupations, positions, offices or employment for the past five years of each director and executive officer of Purchaser are set forth below. Unless otherwise indicated below, the business address of each director and officer is c/o Tyson Foods, Inc., 2210 West Oaklawn Drive, Springdale, Arkansas 72762- 6999. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Purchaser. Except as described herein, none of the directors and officers of Purchaser listed below has, during the past five years, (i) been convicted in a criminal proceeding or (ii) been a party to any judicial or administrative proceeding that resulted in a judgement, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws. All directors and officers listed below are citizens of the United States.

On August 22, 1996, Don Tyson entered into a Stipulation and Consent with the SEC pursuant to which Mr. Tyson, without admitting or denying any wrongdoing, consented and agreed to the entry of a Final Judgment permanently enjoining him from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and requiring the payment of a civil money penalty of \$46,125. The Stipulation and Consent was entered as a Final Judgment on October 8, 1996, by the United States District Court for the Western District of Arkansas. The Stipulation and Consent arose as a result of the SEC's investigation of certain purchases and sales of common stock of Arctic Alaska Fisheries Corporation by Fred Cameron, an acquaintance of Mr. Tyson, in June 1992.

## DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER

Name -----	Current Principal Occupation or Employment and Five-Year Employment History -----
Don Tyson.....	Director. Senior Chairman of Tyson's Board, served as Chairman of Tyson's Board until April 1995 when he was named Senior Chairman. Mr. Tyson served as Chief Executive Officer until March 1991 and has been a member of Tyson's Board since 1952.
John H. Tyson....	Director and President. Chairman of Tyson's Board since October 1, 1998 and assumed responsibilities as President and Chief Executive Officer in April 2000. He previously served as Vice Chairman since 1997 and President of the Beef and Pork Division since 1993. Mr. Tyson has been a member of Tyson's Board since 1984.
Greg W. Lee.....	Director. Mr. Lee was appointed Chief Operating Officer of Tyson in 1999 after serving as President of Tyson's Foodservice Group since 1998 and Executive Vice President, Sales, Marketing and Technical Services since 1995.
Steve Hankins....	Executive Vice President. Mr. Hankins was appointed Tyson's Executive Vice President and Chief Financial Officer in 1998 after serving as Tyson's Senior Vice President, Financial Planning and Shared Services since 1997 and Vice President, Management Information Systems since 1993.
Les Baledge.....	Executive Vice President. Mr. Baledge was appointed Tyson's Executive Vice President and General Counsel in 2000 after serving as Tyson's Executive Vice President and Associate General Counsel since 1999 upon joining Tyson. Prior to joining Tyson, Mr. Baledge was of counsel to the law firm of Kutak Rock LLP and a partner with the Rose Law Firm.
R. Read Hudson....	Secretary. Mr. Hudson was appointed Tyson's Secretary and Corporate Counsel in 1998 after serving as Tyson's Corporate Counsel since 1992.
Dennis Leatherby..	Treasurer. Mr. Leatherby was appointed Tyson's Senior Vice President, Finance and Treasurer in 1998 after serving as Vice President and Treasurer since 1997 and Treasurer since 1994.

## SCHEDULE II

### TRANSACTIONS IN SHARES

Date	No. of Shares Purchased	Price Per Share*
11/30/00	119,000	22.32
12/1/00	455,200	22.56

---

\* Net of Brokerage Commissions

The Letter of Transmittal and certificates for Shares and any other required documents should be sent to the Depositary at one of the addresses set forth below:

**The Depositary for the Offer is:**

**WILMINGTON TRUST COMPANY**

By Mail:

Corporate Trust Operations  
Wilmington Trust Company  
P O Box 8861  
Wilmington, DE 19899-8861

By Hand/Overnight Courier:

Wilmington Trust Company  
1105 North Market Street, 1st Floor  
Wilmington, DE 19801  
Attn: Corporate Trust Operations

By Facsimile:  
(302) 651-1079

Confirm by Telephone:

(302) 651-8869

If you have questions or need additional copies of this Offer to Purchase and the Letter of Transmittal, you can call the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

**The Information Agent for the Offer is:**

**[LOGO OF MACKENZIE]**

156 Fifth Avenue  
New York, New York 10010

(212) 929-5500 (Call Collect) E-mail: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com) or Call Toll Free (800) 322-2885

**The Dealer Manager for the Offer is:**

**Merrill Lynch & Co.**

Four World Financial Center  
New York, New York 10080

Call Collect: (212) 236-3790

**EXHIBIT (a)(2)**

**LETTER OF TRANSMITTAL  
To Tender Shares of Common Stock**

of

IBP, inc.

Pursuant to the Offer to Purchase  
dated December 12, 2000

of

Lasso Acquisition Corporation  
a wholly-owned subsidiary of

**Tyson Foods, Inc.**

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT,  
NEW  
YORK CITY TIME, ON WEDNESDAY, JANUARY 10, 2001, UNLESS THE OFFER IS  
EXTENDED.**

The Depository for the Offer is:

Wilmington Trust Company

By Mail:  
Corporate Trust Operations  
Wilmington Trust Company  
P O Box 8861  
Wilmington, DE 19899-8861

By Hand/Overnight Courier:  
Wilmington Trust Company  
1105 North Market Street, 1st Floor  
Wilmington, DE 19801  
Attn: Corporate Trust Operations

By Facsimile:  
(302) 651-1079

Confirm by Telephone:

(302) 651-8869

**DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET  
FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.**

**THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ  
CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.**

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or, unless an Agent's Message (as defined in the Offer to Purchase) is utilized, if delivery of Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 4 of the Offer to Purchase.

**DESCRIPTION OF SHARES TENDERED**

Name(s) and Address(es) of  
Registered Holder(s)  
(Please fill in, if blank,  
exactly as name(s) and  
Shares tendered appear(s)  
on Share certificate(s))

Shares Tendered  
(Attach additional list if necessary)

-----  
Total Number of  
Shares

Certificate Number(s)*	Represented by Certificate(s)*	Number of Shares Tendered**
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----

Total Shares

---

\* Need not be completed by stockholders tendering by book-entry transfer. \*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.

Holders of outstanding shares of Common Stock, par value \$.05 per share (the "Shares"), of IBP, inc., whose certificates for such Shares (the "Share Certificates") are not immediately available or who cannot deliver their Share Certificates and all other required documents to the Depository on or prior to the Expiration Date (as defined in the Offer to Purchase), or who cannot complete the procedure for book-entry transfer on a timely basis, must tender their Shares according to the guaranteed delivery procedure set forth in Section 4 of the Offer to Purchase. See Instruction 2. Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the Depository.

**Lost Certificates**

**I HAVE LOST MY CERTIFICATE(S) THAT REPRESENTED SHARES OF COMMON STOCK AND REQUIRE ASSISTANCE IN OBTAINING A REPLACEMENT CERTIFICATE. I UNDERSTAND THAT I MUST CONTACT THE INFORMATION AGENT AND/OR THE COMPANY TO OBTAIN INSTRUCTIONS FOR REPLACING LOST CERTIFICATES. SEE INSTRUCTION 9.**

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.**

**PLEASE READ ACCOMPANYING INSTRUCTIONS CAREFULLY.**

**CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:**

**Name of Tendering Institution** \_\_\_\_\_

**Account Number** \_\_\_\_\_

**Transaction Code Number** \_\_\_\_\_

**CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:**

**Name(s) of Tendering Stockholder(s)** \_\_\_\_\_

**Date of Execution of Notice of Guaranteed Delivery** \_\_\_\_\_

**Name of Institution which Guaranteed Delivery** \_\_\_\_\_

If delivery is by book-entry transfer:

**Name of Tendering Institution** \_\_\_\_\_

**Account Number** \_\_\_\_\_

**Transaction Code Number** \_\_\_\_\_

Ladies and Gentlemen:

The undersigned hereby tenders to Lasso Acquisition Corporation (the "Purchaser"), a Delaware corporation and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation, the above-described shares of Common Stock, par value \$.05 per share (the "Shares"), of IBP, inc., a Delaware corporation (the "Company"), pursuant to the Purchaser's offer to purchase up to the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares at \$26.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 12, 2000, receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together constitute the "Offer"). We reserve the right to transfer or assign, in whole or from time to time in part, to one or more of our affiliates the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve us of our obligations under the Offer or prejudice your rights to receive payment for Shares validly tendered and accepted for payment.

Upon the terms and subject to the conditions of the Offer and effective upon acceptance for payment of and payment for the Shares tendered herewith, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Purchaser all right, title and interest in and to all the Shares that are being tendered hereby (and any and all other Shares or other securities issued or issuable in respect thereof on or after the date hereof) and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and all such other Shares or securities), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver certificates for such Shares (and all such other Shares or securities), or transfer ownership of such Shares (and all such other Shares or securities) on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of the Purchaser, (ii) present such Shares (and all such other Shares or securities) for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and all such other Shares or securities), all in accordance with the terms of the Offer.

The undersigned understands that if more than the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the Shares are validly tendered and not withdrawn prior to the expiration date of the Offer, Purchaser will accept for payment and pay for only the number of Shares that represent, together with Shares owned by Tyson, 50.1% of the Shares on a pro rata basis (with appropriate adjustment to avoid purchase of fractional Shares) based on the number of Shares properly tendered by each stockholder prior to the expiration date of the Offer.

The undersigned hereby irrevocably appoints Les Baledge and R. Read Hudson, individually, the attorneys and proxies of the undersigned, each with full power of substitution, to exercise all voting and other rights of the undersigned in such manner as each such attorney and proxy or his substitute shall in his sole discretion deem proper, with respect to all of the Shares tendered hereby which have been accepted for payment by the Purchaser prior to the time of any vote or other action (and any and all other Shares or other securities issued or issuable in respect thereof on or after the date hereof), at any meeting of stockholders of the Company (whether annual or special and whether or not an adjourned meeting), by written consent or otherwise. This proxy is irrevocable and is granted in consideration of, and is effective upon, the acceptance for payment of such Shares by the Purchaser in accordance with the terms of the Offer. Such acceptance for payment shall revoke any other proxy or written consent granted by the undersigned at any time with respect to such Shares (and all such other Shares or securities), and no subsequent proxies will be given or written consents will be executed by the undersigned (and if given or executed, will not be deemed to be effective).

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby (and any and all other Shares or other securities issued or issuable in respect thereof on or after the date hereof) and that when the same are accepted for payment by the Purchaser, the Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions,

charges and encumbrances and not subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or the Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby (and all such other Shares or securities).

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described in Section 4 of the Offer to Purchase and in the instructions hereto will constitute an agreement between the undersigned and the Purchaser upon the terms and subject to the conditions of the Offer.

Unless otherwise indicated under "Special Payment Instructions", please issue the check for the purchase price of any Shares purchased, and return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility). Similarly, unless otherwise indicated under "Special Delivery Instructions", please mail the check for the purchase price of any Shares purchased and any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and return any Shares not tendered or not purchased in the name(s) of, and mail said check and any certificates to, the person(s) so indicated. The undersigned recognizes that the Purchaser has no obligation, pursuant to the "Special Payment Instructions", to transfer any Shares from the name of the registered holder(s) thereof if the Purchaser does not accept for payment any of the Shares so tendered.

SPECIAL PAYMENT INSTRUCTIONS (See  
Instructions 6 and 7)

To be completed ONLY if the check for the purchase price of Shares purchased (less the amount of any federal income and backup withholding tax required to be withheld) or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Mail:  check  
 certificates to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
(Taxpayer Identification or No.)

SPECIAL DELIVERY INSTRUCTIONS  
(See Instructions 6 and 7)

To be completed ONLY if the check for the purchase price of Shares purchased (less the amount of any federal income and backup withholding tax required to be withheld) or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail:  check  
 certificates to:

Name: \_\_\_\_\_  
(Please Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
(Taxpayer Identification No.)

**SIGN HERE**  
(Please complete Substitute Form W-9 below)

---

---

(Signature(s) of Owners)

Dated: , 20

**Name(s)** \_\_\_\_\_  
(Please Print)

**Capacity (full title)** \_\_\_\_\_

**Address** \_\_\_\_\_

---

(Include Zip Code)

**Area Code and Telephone Number** \_\_\_\_\_

(Must be signed by registered holder(s) exactly as name(s) appear(s) on share certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in- fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

**Guarantee Of Signature(s)**  
(See Instructions 1 And 5)

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(Please Type or Print)

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

(Include Zip Code)

Area Code and Telephone No.: \_\_\_\_\_

Dated: \_\_\_\_\_, 20  
(right arrow)

(left  
arrow)

**FOR USE BY FINANCIAL INSTITUTIONS ONLY**

**FINANCIAL INSTITUTIONS: PLACE MEDALLION GUARANTEE IN SPACE BELOW**

Part I--TAXPAYER  
IDENTIFICATION NO.--FOR ALL  
ACCOUNTS.

Social Security Number  
OR Employee  
Identification Number

SUBSTITUTE  
Form W-9  
Department of  
the Treasury  
Internal  
Revenue  
Service

-----  
-----  
Enter your taxpayer identification  
number in the appropriate box. For  
most individuals and sole  
proprietors, this is your Social  
Security Number. For other entities,  
it is your Employer Identification  
Number. If you do not have a number,  
see "How to Obtain a TIN" in the  
enclosed Guidelines. Note: If the  
account is in more than one name, see  
the chart on page 2 of the enclosed  
Guidelines to determine what number  
to enter.

Part II

For Payees  
Exempt

Payer's Request for  
Taxpayer  
Identification No.

From Backup  
Withholding  
(see enclosed  
Guidelines)

-----  
Certification--Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within (60) days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number;
- (2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- (3) Any information provided on this form is true, correct and complete.

Signature

----- Dated \_\_\_\_\_,

20

**NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP**

**WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.**

## INSTRUCTIONS

### Forming Part of the Terms and Conditions of the Offer

1. **Guarantee of Signatures.** Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most banks, savings and loan associations and brokerage houses) that is a member of a recognized Medallion Program approved by The Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange, Inc. Medallion Signature Program (MSP) or any other "eligible guarantor institution" (as such term is defined in Rule 17Ad- 15 under the Securities Exchange Act of 1934, as amended) (each an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (i) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) have not completed the instruction entitled "Special Payment Instructions" on this Letter of Transmittal or (ii) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.
2. **Delivery of Letter of Transmittal and Shares.** This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if delivery of Shares is to be made by book- entry transfer pursuant to the procedures set forth in Section 4 of the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at the Book-Entry Transfer Facility of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or in the case of a book-entry transfer, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal by the Expiration Date. Stockholders who cannot deliver their Shares and all other required documents to the Depository by the Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth in Section 4 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution, (ii) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Purchaser must be received by the Depository by the Expiration Date and (iii) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at the Book-Entry Transfer Facility of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or in the case of a book-entry delivery, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depository within three New York Stock Exchange, Inc. trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in Section 4 of the Offer to Purchase.

The method of delivery of Shares and all other required documents is at the option and risk of the tendering stockholder. If certificates for Shares are sent by mail, registered mail with return receipt requested, properly insured, is recommended.

No alternative, conditional or contingent tenders will be accepted, and no fractional Shares will be purchased. By executing this Letter of Transmittal, the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.
3. **Inadequate Space.** If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.
4. **Partial Tenders** (not applicable to stockholders who tender by book-entry transfer). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered". In such case, a new certificate for the remainder of the Shares represented by the old certificate will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the appropriate box on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby are held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby are registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made, or Shares not tendered or not purchased are to be returned, in the name of any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Purchaser of the authority of such person so to act must be submitted.

6. Stock Transfer Taxes. The Purchaser will pay any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be returned in the name of, any person other than the registered holder(s), or if a transfer tax is imposed for any reason other than the sale or transfer of Shares to the Purchaser pursuant to the Offer, then the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted herewith.

7. Special Payment and Delivery Instructions. If the check for the purchase price of any Shares purchased is to be issued, or any Shares not tendered or not purchased are to be returned, in the name of a person other than the person(s) signing this Letter of Transmittal or if the check or any certificates for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal at an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer may request that Shares not purchased be credited to such account at any of the Book-Entry Transfer Facilities as such stockholder may designate under "Special Payment Instructions". If no such instructions are given, any such Shares not purchased will be returned by crediting the account at the Book-Entry Transfer Facilities designated above.

8. Substitute Form W-9. Under the federal income tax laws, the Depository will be required to withhold 31% of the amount of any payments made to certain stockholders pursuant to the Offer. In order to avoid such backup withholding, each tendering stockholder, and, if applicable, each other payee, must provide the Depository with such stockholder's or payee's correct taxpayer identification number and certify that such stockholder or payee is not subject to such backup withholding by completing the Substitute Form W-9 set forth above. In general, if a stockholder or payee is an individual, the taxpayer identification number is the Social Security number of such individual. If the Depository is not provided with the correct taxpayer identification number, the stockholder or payee may be subject to a \$50 penalty imposed by the Internal Revenue Service.

Certain stockholders or payees (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Depository that a foreign individual qualifies as an exempt recipient, such stockholder or payee must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status. Such statements can be obtained from the Depository. For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if Shares are held in more than one name), consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

Failure to complete the Substitute Form W-9 will not, by itself, cause Shares to be deemed invalidly tendered, but may require the Depository to withhold 31% of the amount of any payments made pursuant to the Offer. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the Internal Revenue Service. **NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.**

9. Mutilated, Lost, Stolen or Destroyed Certificates. Any holder of a certificate(s) which represented Shares whose certificate(s) has been mutilated, lost, stolen, or destroyed should (i) complete this Letter of Transmittal and check the appropriate box above and (ii) contact the Depository immediately by calling (302) 651-8869. The Depository will provide such holder with all necessary forms and instructions to replace any mutilated, lost, stolen or destroyed certificates. The holder may also be required to give the Company a bond as indemnity against any claim that may be made against it with respect to the certificate(s) alleged to have been mutilated, lost, stolen, or destroyed. However, there can be no assurances that such mutilated, lost, stolen or destroyed certificates will be replaced prior to the expiration date of the Offer.

10. Waiver of Conditions. The Conditions of the Offer may be waived, in whole or in part, by Purchaser, in its side discretion, at any time and from time to time, in the case of any shares tendered.

11. Requests for Assistance or Additional Copies. Requests for assistance or additional copies of the Offer to Purchase and this Letter of Transmittal may be obtained from the Information Agent or the Dealer Manager at their respective addresses or telephone numbers set forth below.

(DO NOT WRITE IN SPACES BELOW)

Date Received \_\_\_\_\_ Accepted By \_\_\_\_\_ Checked By \_\_\_\_\_

Shares Surrendered	Shares Tendered	Shares Accepted	Check No.	Amount of Check	Shares Returned	Certificate No.	Block No.
---	---	---	---	Gr	---	---	---
---	---	---	---	Net	---	---	---

**Delivery Prepared By** \_\_\_\_\_ **Checked By** \_\_\_\_\_ **Date** \_\_\_\_\_

Any questions and requests for assistance may be directed to the Information Agent at its telephone numbers and location listed below. Additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent at its address and telephone numbers set forth below. Holders of Shares may also contact their broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

[MacKenzie LOGO]  
156 Fifth Avenue  
New York, New York 10010

(212) 929-5500 (Call Collect) E-mail: proxy@mackenziepartners.com or Call Toll-Free (800) 322-2885

**The Dealer Manager for the Offer is:**

**Merrill Lynch & Co.**

Four World Financial Center  
New York, New York 10080  
Call Collect: (212) 236-3790

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

Guidelines for Determining the Proper Identification Number for the Payee (You) to Give the Payer.--Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer. All "Section" references are to the Internal Revenue Code of 1986, as amended. "IRS" is the Internal Revenue Service.

For this type of account:	Give the SOCIAL SECURITY number of--
-----	
1. The individual	The individual
2. Two or more individuals (joint or, account)	The actual owner of the account if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The Minor(2)
4.a The usual revocable savings trust account (grantor is also trustee)	The grantor- trustee(1)
b So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship	The owner(3)
	EMPLOYER IDENTIFICATION number of--
	-----
6. A valid trust, estate, or pension trust	The legal entity(4)
7. Corporate	The corporation
8. Association, club, religious, The organization charitable, educational, or other tax-exempt organization account	The organization
9. Partnership	The partnership
10. A broker or registered nominee	The broker or nominee
11. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or your employer identification number (if you have one).
- (4) List first and circle the name of the legal trust, estate, or pension trust.

(Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

Page 2

**Obtaining a Number**

If you do not have a taxpayer identification number, obtain Form SS-5, Application for a Social Security Card, at the local Social Security Administration office, or Form SS-4, Application for Employer Identification Number, by calling 1 (800) TAX-FORM, and apply for a number.

**Payees Exempt from Backup Withholding**

Payees specifically exempted from withholding include:

- . An organization exempt from tax under section 501(a), an individual retirement account (IRA), or a custodial account under Section 403(b)(2), if the account satisfies the requirements of Section 401(f)(7).
- . The United States or a state thereof, the District of Columbia, a possession of the United States, or a political subdivision or wholly-owned agency or instrumentality of any one or more of the foregoing.
- . An international organization or any agency or instrumentality thereof.
- . A foreign government and any political subdivision, agency or instrumentality thereof. Payees that may be exempt from backup withholding include:
  - . A corporation.
  - . A financial institution.
  - . A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
  - . A real estate investment trust.
  - . A common trust fund operated by a bank under section 584(a).
  - . An entity registered at all times during the tax year under the investment Company Act of 1940.
  - . A middleman known in the investment community as a nominee or custodian.
  - . A futures commission merchant registered with the Commodity Futures Trading Commission.
  - . A foreign central bank of issue.

Payments of dividends and patronage dividends generally exempt from backup withholding include:

- . Payments to nonresident aliens subject to withholding under Section 1441.
- . Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- . Payments of patronage dividends not paid in money.
- . Payments made by certain foreign organizations.
- . Section 404(k) payments made by an ESOP.

Payments of interest generally exempt from backup withholding include:

- . Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and you have not provided your correct taxpayer identification number to the payer.
- . Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- . Payments described in section 6049(b)(5) to nonresident aliens.
- . Payments on tax-free covenant bonds under section 1451.
- . Payments made by certain foreign organizations.
- . Mortgage interest paid to you.

Certain payments, other than payments of interest, dividends, and patronage dividends, that are exempt from information reporting are also exempt from backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N.

**EXEMPT PAYEES DESCRIBED ABOVE MUST FILE FORM W-9 OR A SUBSTITUTE FORM W-9 TO AVOID POSSIBLE ERRONEOUS BACKUP WITHHOLDING. FILE THIS FORM WITH THE PAYER. FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FORM, AND RETURN TO THE PAYER. ALSO SIGN AND DATE THE FORM.**

Privacy Act Notice.--Section 6109 requires you to provide your correct taxpayer identification number to payers, who must report the payments to the IRS. The IRS uses the number for identification purposes and may also provide this information to various government agencies for tax enforcement or litigation purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

**Penalties**

- (1) Failure to Furnish Taxpayer Identification Number.--If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
- (2) Civil Penalty for False Information With Respect To Withholding.--If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

(3) Criminal Penalty for Falsifying Information.--Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.**

**EXHIBIT (a)(3)**

**NOTICE OF GUARANTEED DELIVERY**

**To Tender Shares of Common Stock**

of

IBP, inc.

Pursuant to the Offer to Purchase  
dated December 12, 2000  
of

Lasso Acquisition Corporation  
a wholly-owned subsidiary of

**Tyson Foods, Inc.**

This form, or a form substantially equivalent to this form, must be used to accept the Offer (as defined below) if the shares of common stock of IBP, inc. and all other documents required by the Letter of Transmittal cannot be delivered to the Depository by the expiration of the Offer. Such form may be delivered by hand, facsimile transmission, telex or mail to the Depository. See Section 4 of the Offer to Purchase.

**The Depository for the Offer is:**

Wilmington Trust Company

By Mail:  
Corporate Trust Operations  
Wilmington Trust Company  
P O Box 8861  
Wilmington, DE 19899-8861

By Hand/Overnight Courier:  
Wilmington Trust Company  
1105 North Market Street, 1st Floor  
Wilmington, DE 19801  
Attn: Corporate Trust Operations

By Facsimile:  
(302) 651-1079

Confirm by Telephone:

(302) 651-8869

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS LISTED ABOVE, DOES NOT CONSTITUTE A VALID DELIVERY.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "eligible guarantor institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to Lasso Acquisition Corporation (the "Purchaser"), a Delaware corporation and a wholly-owned subsidiary of Tyson Foods, Inc., upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 12, 2000 and the related Letter of Transmittal (which together constitute the "Offer"), receipt of which is hereby acknowledged, shares of Common Stock, par value \$.05 per share (the "Shares"), of IBP, inc., a Delaware corporation, pursuant to the guaranteed delivery procedure set forth in Section 4 of the Offer to Purchase.

SIGN HERE

\_\_\_\_\_  
Certificate Numbers (if available)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
 Check here if shares will be  
tendered by book-entry transfer

\_\_\_\_\_  
(Name(s)) (Please Print) Name of  
Tendering Institution

\_\_\_\_\_  
Number of Shares tendered

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
(Zip Code)

\_\_\_\_\_  
(Area Code and Telephone Number)

**GUARANTEE**

(Not to be used for signature guarantee)

The undersigned, a firm which is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange, Inc. Medallion Signature Program (MSP) or any other "eligible guarantor institution" (as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended), guarantees (a) that the above named person(s) "own(s)" the Shares tendered hereby within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, (b) that such tender of Shares complies with Rule 14e-4 and (c) to deliver to the Depository the Shares tendered hereby, together with a properly completed and duly executed Letter(s) of Transmittal and certificates for the Shares to be tendered or an Agent's Message (as defined in the Offer to Purchase) in the case of a book- entry delivery, and any other required documents, all within three NYSE trading days of the date hereof.

---

(Name of Firm)

---

(Authorized Signature)

---

(Name)

---

(Address)

---

(Zip Code)

---

(Area Code and Telephone Number)

**DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEE DELIVERY.**

**SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

Dated: December 12, 2000.

**EXHIBIT (a)(4)**

Four World Financial Center  
New York, New York 10080

[LOGO OF MERRILL LYNCH] Call Collect: (212) 236-3790

Offer to Purchase for Cash up to 50.1% of the Outstanding Shares of Common Stock

IBP, inc.

at

**\$26.00 Net Per Share**

by

**Lasso Acquisition Corporation**

a wholly-owned subsidiary of

**Tyson Foods, Inc.**

---

December 12, 2000

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

We have been appointed by Lasso Acquisition Corporation (the "Purchaser"), a Delaware corporation and a wholly-owned subsidiary of Tyson Foods, Inc. ("Tyson") and Tyson to act as Dealer Manager in connection with its offer to purchase up to the number of shares of common stock, par value \$.05 per share (the "Shares"), of IBP, inc., a Delaware corporation (the "Company"), that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares, at \$26.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Purchaser's Offer to Purchase dated December 12, 2000 and the related Letter of Transmittal (which together constitute the "Offer").

This offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares representing, together with the Shares owned by Tyson, at least 50.1% of the total number of outstanding Shares; (2) Tyson being satisfied, in its sole discretion, that the Agreement and Plan of Merger dated October 1, 2000 among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation has been terminated in accordance with its terms and the execution of a definitive merger agreement, in form satisfactory to Tyson in its sole discretion, among the Company, Tyson and Purchaser; (3) Tyson being satisfied that the provisions of Section 203 of the Delaware General Corporation Law do not apply to or otherwise restrict the Offer and the proposed merger with the Company; and (4) any waiting periods under applicable antitrust laws having expired or been terminated. The Offer is also subject to other conditions set forth in the Offer to Purchase.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. Offer to Purchase dated December 12, 2000;
2. Letter of Transmittal for your use and for the information of your clients, together with Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 providing information relating to backup federal income tax withholding;

3. Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents cannot be delivered to the Depositary by the Expiration Date (as defined in the Offer to Purchase);
4. A form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer; and
5. Return envelope addressed to Wilmington Trust Company, the Depositary.

**WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE.**

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JANUARY 10, 2001, UNLESS THE OFFER IS EXTENDED.**

The Purchaser will not pay any fees or commissions to any broker or dealer or other person (other than the Dealer Manager, the Information Agent or the Depositary as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. The Purchaser will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers. The Purchaser will pay all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, subject to Instruction 6 of the Letter of Transmittal.

In order to accept the Offer, a duly executed and properly completed Letter of Transmittal and any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry delivery of Shares, and any other required documents, should be sent to the Depositary by 12:00 Midnight, New York City time, on Wednesday, January 10, 2001.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the Information Agent or the undersigned at the addresses and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,

Merrill Lynch, Pierce, Fenner & Smith Incorporated

**NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU THE AGENT OF LASSO ACQUISITION CORPORATION, TYSON FOODS, INC., THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.**

**EXHIBIT (a)(5)**

Offer to Purchase for Cash up to

50.1% of the Outstanding Shares of Common Stock

of

IBP, inc.

at

**\$26.00 Net Per Share**

by

Lasso Acquisition Corporation  
a wholly-owned subsidiary of  
Tyson Foods, Inc.

---

**To Our Clients:**

Enclosed for your consideration are the Offer to Purchase dated December 12, 2000 and the related Letter of Transmittal (which together constitute the "Offer") in connection with the offer by Lasso Acquisition Corporation (the "Purchaser"), a Delaware corporation and a wholly-owned subsidiary of Tyson Foods, Inc., to purchase for cash up to the number of shares of common stock, par value \$.05 per share (the "Shares"), of IBP, inc., a Delaware corporation (the "Company") that represent, together with Shares owned by Tyson, 50.1% of the outstanding Shares. We are the holder of record of Shares held for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.

We request instructions as to whether you wish us to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer to Purchase and the Letter of Transmittal.

Your attention is invited to the following:

1. The tender price is \$26.00 per Share, net to you in cash.
2. The Offer, proration period and withdrawal rights expire at 12:00 Midnight, New York City time, on Wednesday, January 10, 2001, unless the Offer is extended.
3. The Offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares representing, together with the Shares owned by Tyson, at least 50.1% of the total number of outstanding Shares; (2) Tyson being satisfied, in its sole discretion, that the Agreement and Plan of Merger dated October 1, 2000 among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation has been terminated in accordance with its terms and the execution of a definitive merger agreement, in form satisfactory to Tyson in its sole discretion, among the Company, Tyson and Purchaser; (3) Tyson being satisfied that the provisions of Section 203 of the Delaware General Corporation Law do not apply to or otherwise restrict the Offer and the proposed merger with the Company; and (4) any waiting periods under applicable antitrust laws having expired or been terminated. The Offer is also subject to other conditions set forth in the Offer to Purchase.

4. Any stock transfer taxes applicable to the sale of Shares to the Purchaser pursuant to the Offer will be paid by the Purchaser, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing, detaching and returning to us the instruction form on the detachable part hereof. An envelope to return your instructions to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise specified on the detachable part hereof. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf by the expiration of the Offer.

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction.

Payment for Shares purchased pursuant to the Offer will in all cases be made only after timely receipt by Wilmington Trust Company (the "Depository") of (a) certificates representing the Shares tendered or timely confirmation of the book-entry transfer of such Shares into the account maintained by the Depository at The Depository Trust Company (the "Book-Entry Transfer Facility"), pursuant to the procedures set forth in Section 4 of the Offer to Purchase, (b) the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase), in connection with a book-entry delivery, and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering shareholders at the same time depending upon when certificates for or confirmations of book-entry transfer of such Shares into the Depository's account at the Book-Entry Transfer Facility are actually received by the Depository.

**Up to 50.1% of the Outstanding Shares of Common Stock**

of

IBP, inc.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated December 12, 2000, and the related Letter of Transmittal, in connection with the offer by Purchaser to purchase the number of shares of common stock, \$.05 par value per share (the "Shares"), of IBP, inc. that represent, together with shares owned by Tyson, 50.1% of the outstanding Shares.

This will instruct you to tender the number of Shares indicated below held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal.

Number of Shares to be Tendered:

SIGN HERE

\_\_\_\_\_ Shares\*

Dated \_\_\_\_\_, 20

\_\_\_\_\_

Signature(s)

\_\_\_\_\_  
Please type or print name(s)

\_\_\_\_\_  
Please type or print address

\_\_\_\_\_  
Area Code and Telephone Number

\_\_\_\_\_  
Taxpayer Identification or Social  
Security Number

-----

\* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

## EXHIBIT (a)(6)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made only by the Offer to Purchase, dated December 12, 2000, and the related Letter of Transmittal and any amendments or supplements thereto and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by the Dealer Manager or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash up to 50.1% of the Outstanding Shares of Common Stock of IBP, inc. at \$26.00 Net Per Share by Lasso Acquisition Corporation, a wholly-owned subsidiary of Tyson Foods, Inc.

Lasso Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"), is offering to purchase shares of Common Stock, par value \$.05 per share (the "Shares"), of IBP, inc., a Delaware corporation (the "Company"), which, together with Shares owned by Tyson and Purchaser, constitute up to 50.1% of the outstanding Shares at a purchase price of \$26.00 per Share, net to the seller in cash, without interest (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 12, 2000 (the "Offer to Purchase") and in the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer").

THE OFFER, PRORATION PERIOD, AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JANUARY 10, 2001, UNLESS THE OFFER IS EXTENDED.

The Offer is not conditioned upon Tyson or Purchaser obtaining financing.

The Offer is part of a proposal to acquire all of the outstanding shares of the Company in a negotiated transaction. A special committee of independent directors of the Company is currently evaluating various acquisition proposals, including Tyson's. As part of the process, Tyson entered into a confidentiality agreement with the Company that permits Tyson to make

the Offer. Tyson is commencing this Offer at this time in order to begin to clear regulatory hurdles and to give the Company's stockholders the opportunity, if and when Tyson and the Company enter into a merger agreement as proposed by Tyson, to receive quickly the cash consideration offered by Tyson.

The Offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares representing, together with Shares owned by Tyson and Purchaser, at least 50.1% of the total number of outstanding Shares (the "Minimum Condition"); (2) Tyson being satisfied, in its sole discretion, that the Agreement and Plan of Merger dated October 1, 2000 among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation has been terminated in accordance with its terms and the execution of a definitive merger agreement, in form satisfactory to Tyson in its sole discretion, among the Company, Tyson and Purchaser; (3) Tyson being satisfied that the provisions of Section 203 of the Delaware General Corporation Law do not apply to or otherwise restrict the Offer and the Proposed Merger (as defined below) with the Company; and (4) any waiting periods under applicable antitrust laws having expired or been terminated. The Offer is also subject to other conditions.

The purpose of the Offer and the Proposed Merger is to enable Tyson to acquire control of, and ultimately the entire equity interest in, the Company. The Offer, as the first step in the acquisition of the Company, is intended to facilitate the acquisition of a number of Shares that would constitute, together with any Shares owned by Tyson and Purchaser, at least 50.1% of the outstanding Shares. Tyson has delivered a form of merger agreement to the Company and intends to seek to negotiate with the Company with respect to the acquisition of the Company by Tyson or Purchaser. Tyson currently intends, as soon as practicable following consummation of the Offer pursuant to such a merger agreement, to seek to have Purchaser and the Company consummate a merger with the Company merging into Purchaser, with Purchaser continuing as the surviving corporation (the "Proposed Merger"). In such Proposed Merger each then outstanding Share (other than Shares owned by Tyson or any of its wholly owned subsidiaries and Shares held in the treasury of the Company) would be converted into the right to receive a number of shares of Class A Common Stock, par value \$.10 per share, of Tyson ("Tyson Common Stock") equal to, (a) if the average of the closing price per share of Tyson Common Stock on the New York Stock Exchange, Inc. at the end of the regular session as reported on the Consolidated Tape, Network A for the fifteen consecutive trading days ending on the fifth trading day immediately preceding the effective time of the Proposed Merger (the "Average Tyson Common Stock Price") is equal to or greater than \$15.40, 1.688, (b) if the Average Tyson Common Stock Price is less than \$15.40 and greater than \$12.60, the result of \$26.00 divided by the Average Tyson Common Stock Price, and (c) if the Average Tyson Common Stock Price is equal to or less than \$12.60, 2.063. The receipt of shares of Tyson Common Stock in the Proposed Merger would be tax-free to the shareholders of the Company.

Subject to the applicable rules and regulations of the Securities and Exchange Commission, Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether any of the events set forth in Section 15 of the Offer to Purchase shall have occurred or shall have been determined by Purchaser to have occurred, (i) to extend the period of time during which the Offer is open and thereby delay acceptance for payment of,

and the payment for, any Shares, by giving oral or written notice of such extension to the Depositary (as defined below) and (ii) to amend the Offer in any respect by giving oral or written notice of such amendment to the Depositary. Any such extension or amendment will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension, to be issued not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date (as defined in the Offer to Purchase). During any such extension, all shares of Common Stock previously tendered and not withdrawn will remain subject to the Offer, subject to the right of a tendering shareholder to withdraw such shareholder's shares of Common Stock.

If Purchaser extends the time during which the Offer is open, or if Purchaser is delayed in its acceptance for payment of or payment for Shares pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under the Offer, the Depositary may retain tendered Shares on Purchaser's behalf and those Shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described in the Section 5 of the Offer to Purchase. However, Purchaser's ability to delay the payment for Shares that it has accepted for payment is limited by Rule 14e-1(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of stockholders promptly after the termination or withdrawal of such bidder's offer.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to Wilmington Trust Company (the "Depositary") of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the Offer Price, with the Depositary, which will act as agent for tendering shareholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering shareholders whose Shares have been accepted for payment. Under no circumstances will interest on the Offer Price for Shares be paid, regardless of any delay in making such payment. If more Shares are validly tendered and not withdrawn prior to the Expiration Date, which, together with the number of Shares owned by Tyson and Purchaser, constitute more than 50.1% of the outstanding Shares, Purchaser will accept for payment and pay for only the Shares, which, together with the number of Shares owned by Tyson and Purchaser, constitute 50.1% of the outstanding Shares, on a pro rata basis (with appropriate adjustment to avoid purchase of fractional Shares) based on the number of Shares properly tendered by each shareholder prior to or on the Expiration Date. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after the timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or confirmation of a book-entry transfer of such Shares into the Depositary's account at The Depositary Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in the Offer to Purchase, (ii) the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in the Offer to Purchase) in lieu of the Letter of Transmittal, and (iii) any other documents required by the Letter of Transmittal. Accordingly, payment may be made to tendering shareholders at different times if delivery of the Shares and other required documents occur at different times.

Tenders of Shares made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable, except that they may be withdrawn at any time after February 9, 2001, unless theretofore accepted for payment as provided in the Offer to Purchase. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover page of the Offer to Purchase. Any such notice of withdrawal must specify the name and address of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered the Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depository, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depository and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in the Offer to Purchase), unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in the Offer to Purchase, any notice of withdrawal must also specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares and must otherwise comply with the Book-Entry Transfer Facility's procedures. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, whose determination will be final and binding.

The receipt by a shareholder of the Company of cash for Shares pursuant to the Offer will likely give rise to taxation for United States federal income tax purposes and may also give rise to taxation under applicable state, local or foreign tax laws. All shareholders are urged to consult with their own tax advisors as to the particular tax consequences to them of the Offer.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

Pursuant to Rule 14d-5 under the Exchange Act and Section 220 of the Delaware General Corporation Law, requests are being made to the Company for the use of the Company's shareholder lists and security position listings for the purpose of disseminating the Offer to holders of Shares. Upon compliance by the Company with such request, the Offer to Purchase and the Letter of Transmittal will be mailed to record holders of Shares and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the shareholder lists for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance and copies of the Offer to Purchase, the Letter of Transmittal and all other tender offer materials may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth below and will be furnished promptly at Purchaser's expense. Neither Tyson nor Purchaser will pay any fees or commissions to any broker or dealer or any other person (other than to the Dealer Manager, the Depositary and the Information Agent) in connection with the solicitation of tenders of Shares pursuant to the Offer.

**The Information Agent for the Offer is:**

**MACKENZIE PARTNERS, INC.**

156 Fifth Avenue

New York, New York 10001

(212) 929-5500 (Call Collect) E-Mail: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com) or Call Toll Free (800) 322-2885

The Dealer Manager for the Offer is:

Merrill Lynch & Co.

Four World Financial Center

New York, New York 10080

Call Collect: (212) 236-3790

December 12, 2000

**EXHIBIT (a)(7)**

December 11, 2000

Media Contact: Ed Nicholson  
(501) 290-4591

Investor Contact: Louis Gottsponer  
(501) 290-4826

**Tyson Commences Cash Tender Offer for IBP stock**

**at \$26 per Share**

Springdale, Arkansas (December 11, 2000)-- Tyson Foods, Inc. (NYSE: TSN) announced today it is commencing a cash tender offer to purchase up to 50.1% of the outstanding shares of common stock of IBP, inc. (NYSE: IBP) for \$26.00 per share.

John Tyson, Tyson's Chairman, President and CEO, said, "We have begun the due diligence process, and at this point have identified up to \$100 million in annual synergies, and expect to achieve half of that in the first year. Obviously, this adds to the significant accretion that we expect to realize on both a GAAP and cash basis, as we announced in our proposal last week."

Tyson added, "We believe IBP has an excellent strategy to derive change through convenience, value added, and retail case ready products. We firmly believe that with our experience in these areas we can accelerate their progress and insure their success. This will allow us significant opportunity for top line growth and margin expansion as we go forward.

"Additionally, Tyson's leadership position in foodservice makes us uniquely qualified to capitalize on the scale IBP has created with their Foodbrands group. The synergies between our value added business and our prepared foods subsidiaries, when coupled with Foodbrands broad offerings are significant. We are excited about the possibilities."

The offer is part of a proposal by Tyson to acquire all of the outstanding shares of IBP in a negotiated transaction. Tyson has delivered to IBP a form of merger agreement and intends to seek to negotiate with IBP with respect to the proposed acquisition. The merger agreement contemplates a second step merger in which all remaining IBP shareholders would receive in exchange for their shares, shares of Tyson Class A common stock having a value of \$26.00 per share, if during the relevant pricing period before the merger, the average per share price of Tyson's Class A common stock is at least \$12.60 and no more than \$15.40.

A Special Committee of independent directors of IBP is currently evaluating various acquisition proposals, including Tyson's. As part of the process, Tyson entered into a confidentiality agreement with the Company that permits Tyson to make the offer. Tyson is commencing the offer at this time in order to begin to clear regulatory hurdles and to give IBP shareholders the opportunity, when Tyson and IBP enter into a merger agreement as proposed by Tyson, to quickly receive the cash consideration offered by Tyson.

The tender offer and withdrawal rights are scheduled to expire at 12:00 midnight, Eastern Standard Time, on Wednesday, January 10, 2001, unless extended.

The tender offer is conditioned upon, among other things: (1) there being validly tendered and not withdrawn prior to the expiration of the offer a number of shares of IBP common stock representing, together with the shares owned by Tyson, at least 50.1% of the total number of shares outstanding; (2) Tyson being satisfied, in its sole discretion, that the existing Agreement and Plan of Merger dated October 1, 2000 among the IPB, Rawhide Holdings Corporation and Rawhide Acquisition Corporation has been terminated; (3) the execution by Tyson of a definitive merger agreement with IBP, in form satisfactory to Tyson in its sole discretion; (4) Tyson being satisfied that the provisions of section 203 of the Delaware General Corporation Law do not apply to or otherwise restrict Tyson's tender offer and the proposed merger; and (5) any waiting periods under applicable antitrust laws having expired or been terminated. The Offer is also subject to other customary conditions, but is not conditioned upon financing.

Merrill Lynch & Co. is acting as Dealer Manager for the tender offer and MacKenzie Partners, Inc. is acting as Information Agent.

Tyson Foods will hold a conference call tomorrow, Tuesday, December 12, at 9:30 a.m. CST (10:30 a.m. EST). The call will be Webcast live on the Internet at [www.tyson.com/investorrel/conferencecalls.asp](http://www.tyson.com/investorrel/conferencecalls.asp). To listen live via telephone, call 888-989-4503. The passcode is Tyson Foods. The call will be archived at [www.prnewswire.com](http://www.prnewswire.com) and [www.tyson.com/investorrel](http://www.tyson.com/investorrel) within two hours of the conclusion of the call. A telephone replay will be available beginning at 1:30 p.m. CST tomorrow through January 12 at 888-277-5140.

#### **About Tyson Foods, Inc.**

Tyson Foods, Inc. headquartered in Springdale, Ark. is the world's largest fully integrated producer, processor and marketer of chicken and chicken-based convenience foods, with 68,000 team members and 7,400 contract growers in 100 communities. Tyson has operations in 18 states and 15 countries and exports to 73 countries worldwide. Tyson is the recognized market leader in almost every retail and foodservice market it serves. Through its Cobb-Vantress subsidiary, Tyson is also a leading chicken breeding stock supplier. In addition, Tyson is the nation's second largest maker of corn and flour tortillas under the Mexican Original(R) brand, as well as a provider of live swine.

#### **About IBP, inc.**

Headquartered in Dakota Dunes, South Dakota, IBP has more than 60 production sites in North America, joint venture operations in China, Ireland and Russia and sales offices throughout the world. The company, which generated sales of \$14.1 billion in 1999, employs 49,000 people. IBP has four business segments: the IBP Fresh Meats Company, Foodbrands America, Inc., the Consumer Branded Products Group and the IBP International Sales Company.

### **Forward Looking Statements.**

Certain statements contained in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to Tyson's belief as to the amount of annual synergies and that the proposed transaction is expected to be immediately accretive to earnings; the regulatory review and approvals to be triggered by the proposed transaction; the prospects and financial condition of the combined operations of Tyson and IBP; the ability of the parties to successfully consummate the transaction and integrate the operations of the combined enterprises; the intended qualification of the proposed transaction as a tax-free reorganization; and other statements relating to future events and financial performance and the proposed Tyson acquisition of IBP. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Among the factors that may cause actual results to differ materially from those expressed in, or implied by, the statements are the following; (i) the risks that Tyson and IBP will not successfully integrate their combined operations;

(ii) the risk that Tyson and IBP will not realize estimated synergies; (iii) unknown costs relating to the proposed transaction; (iv) risks associated with the availability and costs of financing, including cost increases due to rising interest rates; (v) fluctuations in the cost and availability of raw materials, such as feed grain costs; (vi) changes in the availability and relative costs of labor and contract growers; (vii) market conditions for finished products, including the supply and pricing of alternative proteins; (viii) effectiveness of advertising and marketing programs; (ix) changes in regulations and laws, including changes in accounting standards, environmental laws, and occupational, health and safety laws; (x) access to foreign markets together with foreign economic conditions, including currency fluctuations; (xi) the effect of, or changes in, general economic conditions; and (xii) adverse results from on-going litigation. Tyson undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Important Information**

Lasso Acquisition Corporation ("Lasso"), a wholly owned subsidiary of Tyson Foods, Inc. ("Tyson") is commencing an offer for up to 50.1% of the outstanding shares of common stock, on a fully-diluted basis of IBP, inc ("IBP") at 26.00 net per share to seller in cash. The offer currently is scheduled to expire at 12:00 midnight, Eastern Standard Time, on Wednesday, January 10, 2001, unless extended by Lasso in its discretion.

Tyson's offer is being made only by way of an Offer to Purchase and related Letter of Transmittal and any amendments or supplements thereto and is being made to all holders of IBP's shares. More detailed information pertaining to Tyson's offer and the proposed merger will be set forth in appropriate filings to be made with the SEC, if and when made. Shareholders are urged to read any relevant documents that may be filed with the SEC because they will

contain important information. Shareholders will be able to obtain a free copy of any filings containing information about Tyson, Lasso and IBP, without charge, at the SEC's internet site (<http://www.sec.gov>). Copies of any filings containing information about Tyson can also be obtained, without charge, by directing a request to Tyson Foods, Inc., 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999, Attention: Office of the Corporate Secretary (501) 290-4000.

Tyson and certain other persons named below may be deemed to be participants in the solicitation of proxies. The participants in this solicitation may include the directors and executive officers of Tyson. A detailed list of the names of Tyson's directors and officers is contained in Tyson's proxy statement for its 2001 annual meeting, which may be obtained without charge at the SEC's Internet site (<http://www.sec.gov>) or by directing a request to Tyson at the address provided above.

As of the date of this press release, none of the foregoing participants, individually beneficially owns in excess of 5% of IBP's common stock. Except as disclosed above and in Tyson's proxy statement for its 2001 annual meeting and other documents filed with the SEC, to the knowledge of Tyson, none of the directors or executive officers of Tyson has any material interest, direct or indirect, by security holdings or otherwise, in Tyson or IBP.

This press release is not an offer to purchase shares of IBP, nor is it an offer to sell shares of Tyson Class A common stock which may be issued in any proposed merger with IBP. Any issuance of Tyson Class A common stock in any proposed merger with IBP would have to be registered under the Securities Act of 1933, as amended, and such Tyson stock would be offered only by means of a prospectus complying with the Act.

**EXHIBIT (d)(1)**

**[TYSON LETTERHEAD]**

December 4, 2000

IBP, inc.  
800 Stevens Port Drive  
Dakota Dunes, SD 57049

Ladies & Gentlemen:

In connection with a possible transaction involving IBP, inc. (the "Company") and us (a "Transaction"), the Company and its advisors and agents are prepared to make available certain information which is non-public, confidential or proprietary in nature.

By execution of this letter agreement (the "Agreement"), we agree to treat confidentially all such information whether written or oral (the "Evaluation Material"), and to observe the terms and conditions set forth herein. We also agree that, subject to the fourth paragraph of this Agreement, prior to giving any of our directors, officers, employees, partners, affiliates, agents, advisors, potential sources of financing or refinancing, or representatives (hereinafter, "Representatives") access to any of the Evaluation Material, each such Representative shall be advised of the terms of this Agreement.

For purposes of this Agreement, Evaluation Material shall mean all information, data, reports, analyses, compilations, studies, interpretations, projections, forecasts, records, and other materials (whether prepared by the Company, its agents or advisors or otherwise and in whatever form maintained, whether documentary, computerized or otherwise), regardless of the form of communication, that contain or otherwise reflect information concerning the Company that we or our Representatives may be provided by or on behalf of the Company or its agents or advisors in the course of our evaluation of a possible Transaction. The term "Evaluation Material" shall also include all information, data, reports, analyses, computations, studies, interpretations, projections, forecasts, records, notes, memoranda, summaries or other materials in whatever form maintained, whether documentary, computerized or otherwise, whether prepared by us or our Representatives, that contain or otherwise reflect any such Evaluation Material (the "Notes"). This Agreement shall be inoperative as to those particular portions of the Evaluation Material that (i) become available to the public other than as a result of a disclosure by us or any of our Representatives, (ii) were available to us on a non-confidential basis prior to the disclosure of such Evaluation Material to us pursuant to this Agreement, or (iii) becomes available to us or our Representatives on a non-confidential basis from a source other than the Company or its agents or advisors provided that the source of such information was not known by us to be contractually prohibited from making such disclosure to us or such Representative.

We agree that we will not use the Evaluation Material for any purpose other than in connection with a Transaction. We agree not to disclose or allow disclosure to others of any Evaluation Material; PROVIDED that, subject to the second paragraph of this Agreement, we may disclose Evaluation Material to our Representatives to the extent necessary to permit such Representatives to assist us in connection with a possible Transaction; and PROVIDED FURTHER that we may make such disclosures as are required under the federal securities laws in connection with any offer by us for all of the shares of common stock of the Company or as otherwise required by law or a regulatory body (including the New York Stock Exchange).

We understand and agree that none of the Company, its advisors or any of their affiliates, agents, advisors or representatives (i) have made or make any representation or warranty, expressed or implied, as to the accuracy or completeness of the Evaluation Material or (ii) shall have any liability whatsoever to us or our Representatives relating to or resulting from the use of the Evaluation Material or any errors therein or omissions therefrom, except in the case of (i) and (ii), to the extent provided in any definitive agreement relating to a Transaction.

In the event that we or anyone to whom we transmit any Evaluation Material in accordance with this Agreement are requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demand or similar process), in connection with any proceeding, to disclose any Evaluation Material, we will give the Company prompt notice of such request or requirement, to the extent practicable, so that the Company may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Agreement, and we will use reasonable efforts to cooperate with the Company, to the extent practicable, to obtain such protective order. In the event that such protective order or other remedy is not obtained or the Company waives compliance with the relevant provisions of this Agreement, we (or such other person to whom such request is directed) will furnish only that portion of the Evaluation Material which we are advised by our or such other person's counsel, is required to be disclosed. It is further agreed that, if in the absence of a protective order we (or such other person to whom such request is directed) are nonetheless legally compelled to disclose such information, we may make such disclosure without liability hereunder, PROVIDED that we give the Company notice of the information to be disclosed as far in advance of its disclosure as is practicable and upon the Company's request and at the Company's expense, use our reasonable efforts to obtain assurances that confidential treatment will be accorded to such information and, PROVIDED further, that such disclosure was not caused by and did not result from a previous disclosure by us not permitted hereunder.

Until the earlier of (i) the consummation of a Transaction, or (ii) eighteen months from the date of this Agreement, we agree not to initiate or maintain substantive contact (except for contact in the ordinary course of our business) with any officer, employee or director (other than any director who is a member of the Special Committee of the Board of Directors of the Company) of the Company regarding the Company, its operations, assets, prospects or finances, except with the express prior written permission of the Company. We also agree that, for the period ending eighteen months from the date of this Agreement, we will not, without the Company's prior written consent, directly or indirectly, solicit for employment any person (i)

who is currently employed in a management, supervisory or senior operational position with the Company, or (ii) whom we come in contact with in connection with our consideration of a possible Transaction, it being understood that general advertising shall not be deemed a solicitation for these purposes.

If we decide that we do not wish to proceed with a Transaction, we will promptly notify the Company of that decision. In that case, or if the Company shall elect at any time to terminate further access by us to the Evaluation Material for any reason (either of such date being referred to as the "Return Date"), we will promptly destroy or redeliver to the Company all copies of the Evaluation Material in our possession or that of our Representatives, provided that we may retain copies of our Notes. Notwithstanding the foregoing, we and our Representatives will continue to be bound by our obligations of confidentiality and other obligations hereunder.

We agree that, prior to March 31, 2001 (the "Restricted Period"), we and our subsidiaries will not, in any manner, whether publicly or otherwise, directly or indirectly, without the prior written consent of the Company, (1) acquire, agree to acquire or make any public proposal to acquire, directly or indirectly, any voting securities or assets (other than assets in the ordinary course of business) of the Company or any of its subsidiaries, (2) publicly propose to enter into, directly or indirectly, any merger or other business combination or similar transaction involving the Company or any of its subsidiaries, (3) enter into any discussions, negotiations, arrangements, understandings or agreements (whether written or oral) with Rawhide Holdings Corporation or any of its affiliates or any affiliate of the Company (other than advisors) regarding a strategic transaction involving the Company or any other possible purchase or sale of any securities or significant assets of the Company, (4) publicly disclose any intention, plan or arrangement inconsistent with the foregoing or (5) knowingly advise or assist any other persons in connection with any of the foregoing (each of the acts described in clauses (1) through (5) of this paragraph being an "Acquisition Attempt"), unless such Acquisition Attempt is made in connection with a proposal by us for the acquisition of all of the outstanding shares of common stock of the Company; PROVIDED, however, that if the Company approves or recommends a transaction for the acquisition by any third party of less than all of the outstanding shares of common stock of the Company (or, in the case of a tender or exchange offer, does not recommend that shareholders not tender into such offer), we and our subsidiaries will not be restricted by any of the foregoing clauses. We also agree that during the Restricted Period, without the prior written consent of the Company, we will not acquire any additional shares of the Company's common stock in the open market if such acquisition would result in us beneficially owning more than 9.9% of the outstanding shares of the Company's common stock, except pursuant to or as part of an offer to acquire all of the outstanding shares of the Company's common stock; PROVIDED, however, that if the Company approves, recommends or fails to state publicly that it opposes an acquisition by a third party of shares of the Company's common stock in the open market which has the effect of causing such third party's beneficial ownership to exceed 9.9% of the outstanding common stock of the Company, we will be permitted to purchase additional shares of the Company's common stock in an amount not to exceed such amount as would cause our ownership of shares of common stock of the Company not to exceed the percentage of the Company's outstanding common stock permitted by the Company to be owned by such third party. We further agree that, during the Restricted Period, neither us nor anyone acting on our behalf will request the Company, its subsidiaries or its or their officers,

directors, employees, advisors or agents to amend or waive any provision of this paragraph (including this sentence).

We are aware that the securities laws of the United States prohibit any person who has material, non-public information concerning the company or a possible Transaction involving the Company or a significant portion thereof from purchasing or selling securities in reliance upon such information or from communicating such information to any other person or entity under circumstances in which it is reasonably foreseeable that such person or entity is likely to purchase or sell such securities in reliance upon such information.

We agree that unless and until a definitive agreement between the Company and us with respect to any Transaction has been executed and delivered, neither the Company nor we will be under any legal obligation of any kind whatsoever with respect to such Transaction.

We acknowledge the existence of the Agreement and Plan of Merger, dated as of October 1, 2000, among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation (the "Merger Agreement"). We are aware that the Company is obligated, pursuant to Section 6.04 of the Merger Agreement, to deliver a copy of this Agreement to Rawhide Holdings Corporation, and we consent to such delivery.

We agree that money damages would not be a sufficient remedy for any breach of this Agreement by us or our Representatives, that in addition to all other remedies the Company shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, and we further agree to waive, and to use our best efforts to cause our Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy.

All modifications of, waivers of and amendments to this Agreement or any part hereof must be in writing signed on behalf of us and the Company.

It is further understood and agreed that no failure or delay by the Company in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any right, power or privilege hereunder.

We hereby irrevocably and unconditionally submit to the exclusive jurisdiction of any State or Federal court sitting in Delaware over any suit, action or proceeding arising out of or relating to this Agreement. We hereby agree that service of any process, summons, notice or document by U.S. registered mail addressed to us shall be effective service of process for any action, suit or proceeding brought against us in any such court. You hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient form. We agree that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon us and may be enforced in any other courts to whose jurisdiction we are or may be subject, by suit upon such judgment.

The term "person" as used in this Agreement shall be broadly interpreted to include, without limitation, the media and any corporation, partnership, group, individual or other entity.

In the event that any provision or portion of this Agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by applicable law.

In the event that the Company enters into any agreement, or amends, waives or changes any provision of any current agreement, in each case relating to the subject matter of this Agreement, with any person on terms which are more favorable to such person than to us under this Agreement, we shall be entitled to the benefit of such more favorable terms and you agree to notify us promptly of any new such agreements or any such amendments, waivers or changes.

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

If you are in agreement with the foregoing, please so indicate by signing, dating and returning one copy of this Agreement, which will constitute our agreement with respect to the matters set forth herein.

Very truly yours,

**Tyson Foods, Inc.**

By:            /s/ John Tyson

-----  
Title: Chairman, President and Chief  
Executive Officer

Agreed and Accepted:  
IBP, inc.

By:            /s/ JoAnn R. Smith

-----  
Title: Chairperson of the Special Committee  
Date: December 4, 2000

**EXHIBIT(d)(2)**

MTHM Draft  
12/11/2000

**AGREEMENT AND PLAN OF MERGER**

**DATED AS OF**

December \_\_, 2000

**AMONG**

IBP, INC.,

**TYSON FOODS, INC.**

**AND**

**LASSO ACQUISITION CORPORATION**

## TABLE OF CONTENTS

	Page
	----
ARTICLE 1 DEFINITIONS.....	1
Section 1.01. Definitions.....	1
ARTICLE 2 THE OFFER.....	3
Section 2.01 The Offer.....	3
Section 2.02 Company Actions.....	5
Section 2.03 Company Board Representation; Section 14(f).....	6
ARTICLE 3 THE MERGER.....	7
Section 3.01. The Merger.....	7
Section 3.02. Conversion of Shares.....	8
Section 3.03. Surrender and Payment.....	8
Section 3.04. Stock Options.....	9
Section 3.05. Withholding Rights.....	10
ARTICLE 4 THE SURVIVING CORPORATION.....	10
Section 4.01. Certificate of Incorporation.....	10
Section 4.02. Bylaws.....	11
Section 4.03. Directors and Officers.....	11
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE COMPANY.....	11
Section 5.01. Corporate Existence and Power.....	11
Section 5.02. Corporate Authorization.....	11
Section 5.03. Governmental Authorization.....	11
Section 5.04. Non-Contravention.....	11
Section 5.05. Capitalization.....	12
Section 5.06. Subsidiaries.....	12
Section 5.07. SEC Filings.....	13
Section 5.08. Financial Statements.....	13
Section 5.09. Disclosure Documents.....	14
Section 5.11. No Undisclosed Material Liabilities.....	16
Section 5.12. Litigation.....	16
Section 5.13. Taxes.....	17
Section 5.14. ERISA.....	18
Section 5.15. Labor Matters.....	20
Section 5.16. Compliance with Laws.....	21
Section 5.17. Licenses and Permits.....	21
Section 5.18. Intellectual Property.....	21
Section 5.19. Environmental Matters.....	22
Section 5.20. Finders' Fees.....	23

Section 5.21.	Inapplicability of Certain Restrictions.....	23
Section 5.22.	Rights Plan.....	23
ARTICLE 6	REPRESENTATIONS AND WARRANTIES OF PARENT.....	23
Section 6.01.	Corporate Existence And Power.....	24
Section 6.02.	Corporate Authorization.....	24
Section 6.03.	Governmental Authorization.....	24
Section 6.04.	Non-Contravention.....	24
Section 6.05.	SEC Filings.....	24
Section 6.08.	Disclosure Documents.....	25
Section 6.09.	Finders' Fees.....	26
ARTICLE 7	COVENANTS OF THE COMPANY.....	26
Section 7.01.	Conduct of the Company.....	26
Section 7.02.	Stockholder Meeting.....	28
Section 7.03.	Access to Information.....	28
Section 7.04.	Other Offers.....	29
Section 7.05.	Notices Of Certain Events.....	31
Section 7.06.	Tax Matters.....	31
Section 7.07.	Affiliates.....	31
ARTICLE 8	COVENANTS OF PARENT.....	32
Section 8.01.	Parent Stockholder Meeting.....	32
Section 8.02.	Confidentiality.....	32
Section 8.03.	Voting Of Shares.....	32
Section 8.04.	Director And Officer Liability.....	32
Section 8.05.	Employee Matters.....	32
Section 8.06.	Obligations of Merger Co.....	33
Section 8.07.	NYSE Listing.....	33
Section 8.08.	Acquisitions of Shares.....	33
Section 8.09.	Notices of Certain Events.....	33
Section 8.10.	Reorganization Matters.....	33
Section 8.11.	Information Relating to Offer.....	33
Section 8.12.	Conduct of Parent.....	33
ARTICLE 9	COVENANTS OF PARENT AND THE COMPANY.....	34
Section 9.01.	Company Proxy Statement and Form S-4.....	34
Section 9.03.	Best Efforts.....	34
Section 9.02.	Certain Filings.....	35
Section 9.04.	Public Announcements.....	35
Section 9.05.	Further Assurances.....	35
ARTICLE 10	CONDITIONS TO THE MERGER.....	36
Section 10.01.	Conditions to the Obligations of Each Party.....	36
Section 10.02.	Conditions to the Obligation of the Company.....	36

ARTICLE 11	TERMINATION.....	37
	Section 11.01. Termination.....	37
	Section 11.02. Effect of Termination.....	38
ARTICLE 12	MISCELLANEOUS.....	38
	Section 12.01. Notices.....	38
	Section 12.02. Survival of Representations and Warranties.....	40
	Section 12.03. Amendments; No Waivers.....	40
	Section 12.04. Expenses.....	40
	Section 12.05. Successors and Assigns; Benefit.....	40
	Section 12.06. Governing Law.....	41
	Section 12.07. Counterparts; Effectiveness.....	41

Exhibit A	Form of Affiliate's Agreement
Exhibit B	MTHM Tax Opinion
Exhibit C	Tax Representation Letter
Exhibit D	Tax Representation Letter
Exhibit E	Wachtell Tax Opinion
Exhibit F	Tax Representation Letter
Exhibit G	Tax Representation Letter

## AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated as of December \_\_, 2000 among IBP, inc., a Delaware corporation (the "Company"), Tyson Foods, Inc., a Delaware corporation ("Parent"), and Lasso Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Co.").

### WITNESSETH:

WHEREAS, (i) on December 12, 2000, Parent and Merger Co. commenced a tender offer (the "Offer") to acquire 50.1% (the "Maximum Amount") of the issued and outstanding shares of Common Stock, par value \$0.05 per share, of the Company ("Company Common Stock") for \$26.00 per share (such amount, or any greater amount per share paid pursuant to the Offer, the "Per Share of Company Common Stock Amount") net to the seller in cash and (ii) on December 12, 2000, Parent and Merger Co. filed with the Securities and Exchange Commission (the "SEC") a

---

Tender Offer Statement on Form TO, (together with all amendments and supplements thereto, the "Form TO") promulgated under the Securities Exchange Act of 1934, as amended (such Act and the rules and regulations promulgated thereunder being referred to herein as the "Exchange Act"), which Form TO included an offer to purchase (the "Offer to Purchase");

[WHEREAS, on December \_\_, 2000, the Company filed with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 promulgated under the Exchange Act (together with all amendments and supplements thereto, the "Schedule 14D-9") containing the recommendation of the Board of Directors of the **Company.**]

WHEREAS, the Boards of Directors of Parent, Merger Co. and the Company have each determined that it is advisable and in the best interests of their respective stockholders to consummate, and have approved, the business combination transaction provided for herein including the offer and the Merger (as defined in Section 3.01); and

WHEREAS, Parent and the Company desire to make certain representations, warranties, covenants and agreements in connection with the transactions contemplated by this Agreement and also to prescribe certain conditions to the consummation of such transactions;

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements herein contained, the parties hereto agree as follows:

### ARTICLE 1

#### DEFINITIONS

Section 1.01. Definitions. Each of the following terms is defined in the Section set forth opposite such term:

TERM	SECTION
----	-----
Acquisition Proposal	7.04
Amended Offer to Purchase	2.01
Average Parent Common Stock Price	3.03
Balance Sheet	5.08
Balance Sheet Date	5.08
Code	5.14
Company Common Stock	recitals
Company Disclosure Documents	5.09
Company Option	3.04
Company Proxy Statement	5.09
Company Stockholder Meeting	7.02
Company Securities	5.05
Company 10-K	5.07
Company 10-Qs	5.07
Confidentiality Agreement	8.02
Control Date	2.03
Delaware Law	2.02
Effective Time	3.01
Employee Plans	5.14
Environmental Laws	5.19
Environmental Permits	5.19
ERISA	5.14
ERISA Affiliate	5.14
Exchange Act	recitals
Exchange Agent	3.03
Exchange Ratio	3.02
Form S-4	9.01
Form TO	recitals
Form TO/A	2.01
Hazardous Substances	5.19
HSR Act	5.03
Independent Directors	2.03
Intellectual Property Right	5.18
International Plan	5.14
Lien	5.04
Material Adverse Effect	5.01
Maximum Amount	recitals
Merger	3.01
Merger Consideration	3.02
Minimum Condition	2.01
Multiemployer Plan	5.14
NYSE	3.02
Offer	recitals
Offer Documents	2.01

TERM	SECTION
----	-----
Offer to Purchase	recitals
Option	3.04
Parent Balance Sheet	6.06
Parent Balance Sheet Date	6.06
Parent Common Stock	3.02
Parent Disclosure Documents	6.08
Parent Option	3.04
Parent 10-K	6.05
Payment Event	7.04
Permits	5.17
Per Share of Company Common Stock Amount	Recitals
Person	3.03 and 7.04
Pre-Closing Tax Period	5.13
Preferred Stock	5.05
Rawhide Merger Agreement	2.02
Representatives	7.03
Returns	5.13
[Schedule 14D-9	[recitals/2.02]
SEC	recitals
Securities Act	5.07
Special Committee	2.02
Stockholders	recitals
Subsidiary	5.06
Subsidiary Securities	5.06
Superior Proposal	7.04
Surviving Corporation	3.01
Tax	5.13
Tax Asset	5.13
368(a) Reorganization	7.06
Title IV Plan	5.14

## ARTICLE 2

### THE OFFER

2.01 The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with Section 11.01 and none of the events set forth in Annex I hereto shall have occurred and be continuing, as promptly as practicable, but in no event later than one business day, after the date hereof, Parent shall cause Merger Co. to, and Merger Co. shall, file with the SEC, to the extent required by the Exchange Act, an amended Form TO (the "Form TO/A"), an amended Offer to Purchase (the "Amended Offer to Purchase") and, if necessary, the related letter of transmittal and any related summary advertisement (the Form TO/A, the Amended Offer to Purchase and such other documents, together with all amendments and supplements thereto, the "Offer Documents"). The obligation of Merger Co. to consummate the Offer and to accept for

payment and to pay for shares of Company Common Stock tendered pursuant to the Offer shall be subject only to (i) the condition that there shall be validly tendered in accordance with the terms of the Offer, prior to the expiration date of the Offer and not withdrawn, a number of shares that, together with the shares of Company Common Stock then owned by Parent and/or Merger Co., represents 50.1% of the shares of Company Common Stock outstanding (the "Minimum Condition") and (ii) the other conditions set forth in Annex I hereto. Merger Co. expressly reserves the right to waive any such condition (other than the Minimum Condition) or the condition relating to the expiration of the HSR Act, to increase the Per share of Company Common Stock Amount and to make any other changes in the terms and conditions of the Offer. Notwithstanding the foregoing, no change may be made which (i) decreases the Per share of Company Common Stock Amount, (ii) changes the form of consideration to be paid in the Offer, (iii) increases the Maximum Amount or the Minimum Condition, (iv) reduces the number of shares of Company Common Stock sought to be purchased in the Offer, (v) imposes conditions to the Offer in addition to those set forth in Annex I hereto, (vi) extends the expiration date of the Offer or (vii) otherwise alters or amends any term of the Offer in any manner adverse to the holders of shares of Company Common Stock; provided, however, that (x) Merger Co. may waive the Minimum Condition or (y) the Offer may be extended (1) for any period to the extent required by law or by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "SEC") or the staff thereof

---

applicable to the Offer, and (2) for up to 60 business days after the initially scheduled expiration date if upon any expiration of the Offer any condition to the Offer shall not be satisfied and there is a reasonable basis to believe that such condition could be satisfied within such 60 business day period. If at the expiration date of the Offer a number of shares of Company Common Stock has been validly tendered and not withdrawn that, together with the shares of Company Common Stock then owned by Parent and/or Merger Co., exceeds the Maximum Amount, the number of shares of Company Common Stock to be purchased by Merger Co. pursuant to the Offer shall be prorated in accordance with Rule 14d-8 promulgated under the Exchange Act, so that the number of shares of Company Common Stock purchased by Merger Co. pursuant to the Offer, together with the shares of Company Common Stock then owned by Parent and Merger Co., will represent 50.1% of the shares of Company Common Stock outstanding. Assuming the prior satisfaction or waiver of the conditions of the Offer and subject to the foregoing right to extend the Offer, Merger Co. shall pay for shares of Company Common Stock tendered pursuant to the Offer as soon as practicable after termination thereof.

(b) As soon as practicable following the filing of the Form TO/A with the SEC, Merger Co. shall take such steps as are reasonably necessary to cause the Amended Offer to Purchase to be disseminated to the holders of shares of Company Common Stock as and to the extent required by applicable federal securities laws. Parent, Merger Co. and the Company shall correct promptly any information provided by any of them for use in the Offer Documents which shall have become false or misleading, and Parent and Merger Co. shall take all steps necessary to cause the Form TO/A as so corrected to be filed with the SEC and the other Offer Documents as so corrected to be disseminated to holders of shares of Company Common Stock, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given an opportunity to review and comment on the Offer Documents prior to their being filed with the SEC, and Parent and Merger Co. will provide the Company and its counsel in writing with any

comments that Parent or Merger Co. receives from the SEC or its staff with respect to the Offer Documents promptly after receipt of any such comments.

(c) Parent shall provide or cause to be provided to Merger Co. on a timely basis the funds necessary to accept for payment, and pay for, any shares of Company Common Stock that Merger Co. becomes obligated to accept for payment, and pay for, pursuant to the Offer.

2.02 Company Actions. (a) The Company hereby approves and consents to the Offer and represents that (i) the Board of Directors of the Company and acting on the unanimous recommendation of a special committee of the Board of Directors of the Company comprised of all members of the Board of Directors other than Messrs. Bond, Chalsty, Lemon and Peterson (the "Special Committee"), at a meeting duly called and held, has, with Messrs. Bond, Chalsty, Lemon and Peterson abstaining, [unanimously] (A) determined that this Agreement and the transactions contemplated hereby, including the Offer and the Merger, taken together, are fair to and in the best interests of the holders of shares of Company Common Stock, (B) approved this Agreement and the transactions contemplated hereby, including the Merger, which approval satisfies in full the requirements of Section 203 of the General Corporation Law of the State of Delaware (the "Delaware Law") with respect to the transactions contemplated hereby, (C) resolved to recommend that the stockholders of the Company accept the Offer, tender their shares of Company Common Stock thereunder to Merger Co. and, if required by applicable law in order to consummate the Merger, approve and adopt this Agreement and the transactions contemplated hereby and (ii) the Company has provided the applicable notice of termination to Rawhide Holdings Corporation required by Section 10.1(e) of the Agreement and Plan of Merger, dated as of October 1, 2000 among the Company, Rawhide Holdings Corporation and Rawhide Acquisition Corporation ("Rawhide Merger Agreement"). The Company hereby consents to the inclusion in the Offer Documents of the recommendation of the Board described in the immediately preceding sentence. The Company has been advised by each of its directors and executive officers that they intend either to tender all shares of Company Common Stock beneficially owned by them to Merger Co. pursuant to the Offer or to vote such shares of Company Common Stock in favor of the approval and adoption of the transactions contemplated hereby. The Company further represents that J.P. Morgan Securities Inc. has delivered to the Company's Board of Directors its written opinion that the consideration to be paid in the Merger is fair to the holders of shares of Company Common Stock, from a financial point of view.

(b) On the date the Offer Documents are filed with the SEC, the Company shall file with the SEC [a Solicitation/Recommendation Statement on Schedule 14D-9 promulgated under the Exchange Act (together with all amendments and supplements thereto, the "Schedule 14D-9")] [an amended Schedule 14D-9 (the "Schedule 14D-9/A")] containing the recommendation of the Board of Directors of the Company described in Section 2.02(a), and shall take such steps as are necessary to cause the Schedule 14D-9[A] to be disseminated to the holders of shares of Company Common Stock as and to the extent required by applicable federal securities laws. The Company, Parent and Merger Co. shall correct promptly any information provided by any of them for use in the Schedule 14D-9[A] which shall have become false or misleading, and the Company shall take all steps necessary to cause the Schedule 14D-9[A] as so corrected to be filed with the SEC and disseminated to holders of shares of Company Common Stock, in each case as and to the extent required by applicable federal securities laws. Parent and its counsel shall be given an

opportunity to review and comment on the Schedule 14D-9[A] prior to its being filed with the SEC, and the Company will provide Parent and its counsel in writing with any comments that the Company receives from the SEC or its staff with respect to the Schedule 14D-9[A] promptly after receipt of any such comments.

(c) In connection with the Offer, the Company shall cause its transfer agent to furnish Merger Co. promptly with mailing labels containing the names and addresses of all record holders of shares of Company Common Stock and with security position listings of shares of Company Common Stock held in stock depositories, each as of a recent date, together with all other available listings and computer files containing names, addresses and security position listings of record holders and beneficial owners of shares of Company Common Stock. The Company shall furnish Merger Co. with such additional information, including, without limitation, updated listings and files of stockholders, mailing labels and security position listings and such other assistance as Parent, Merger Co. or their agents may reasonably request in communicating the Offer to record and beneficial holders of shares of Company Common Stock. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Offer or the Merger, Parent and Merger Co. shall hold in confidence the information contained in such labels, listings and files, shall use such information only in connection with the Offer and the Merger, and, if this Agreement shall be terminated in accordance with Section 11.01, shall deliver to the Company all copies of, and any extracts or summaries from, such information then in their possession or control.

(d) In connection with the Offer, the Company will furnish Parent with such information (which will be treated and held in confidence by Parent) and assistance as Parent or its Representatives may reasonably request in connection with the preparation of the Offer and communicating the Offer to the record and beneficial holders of shares of Company Common Stock.

2.03 Company Board Representation; Section 14(f). (a) Subject to compliance with Delaware Law, the Company's Certificate of Incorporation and other applicable law, promptly upon the payment by Merger Co. for shares of Company Common Stock purchased pursuant to the Offer, and from time to time thereafter, the Company shall, upon request of Parent, promptly use its best efforts to take all actions necessary to cause a majority of the directors of the Company to consist of Parent's designees, including by accepting the resignations of those incumbent directors designated by the Company or increasing the size of the Board of Directors and causing Parent's designees to be elected. The date on which Parent's designees constitute at least a majority of the Company's Board of Directors is herein referred to as the "Control Date."

(b) The Company's obligations to appoint Parent's designees to the Board of Directors of the Company shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, if applicable. The Company shall promptly take all actions required pursuant to such Section and Rule in order to fulfill its obligations under this Section, and shall include in the Schedule 14D-9[A] such information with respect to the Company and its officers and directors as is required under such Section and Rule to fulfill such obligations. Parent or Merger Co. shall supply to the Company and be solely responsible for any information with

respect to either of them and their designees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

(c) Following the election of designees of Parent pursuant to this Section and prior to the Effective Time, any amendment of this Agreement or the Certificate of Incorporation or Bylaws of the Company, any termination of this Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Parent or Merger Co. or waiver of any of the Company's rights hereunder shall require the concurrence of a majority of the directors of the Company then in office who (i) neither were designated by Parent nor are employees of the Company or any of its Subsidiaries or, if there be just one such director, the concurrence of such director or (ii) were a member of the Special Committee (the "Independent Directors"). If the number of Independent Directors shall be reduced below two for any reason whatsoever, the remaining Independent Director shall designate a person to fill such vacancy who shall be deemed to be an Independent Director for purposes of this Agreement or, if no Independent Directors then remain, the other directors shall designate two persons to fill such vacancies who shall not be officers or affiliates of the Company or any of its Subsidiaries, or officers or affiliates of Parent or any of its Subsidiaries, and such persons shall be deemed to be Independent Directors for purposes of this Agreement. The Independent Directors shall have the authority to retain such counsel and other advisors at the expense of the Company as are reasonably appropriate to the exercise of their duties in connection with this Agreement, subject to approval by the Company of the terms of such retention, which approval shall not be unreasonably withheld. In addition, the Independent Directors shall have the authority to institute any action, on behalf of the Company, to enforce performance of this Agreement.

### **ARTICLE 3**

#### **THE MERGER**

Section 3.01. The Merger. (a) At the Effective Time (as defined below), the Company shall be merged with (the "Merger") and into Merger Co. in accordance with Delaware Law (as defined below), whereupon the separate existence of the Company shall cease, and Merger Co. shall be the surviving corporation and wholly-owned subsidiary of Parent (the "Surviving Corporation").

(b) As soon as practicable after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger, the Company and Merger Co. will file a certificate of merger with the Secretary of State of the State of Delaware and make all other filings or recordings required by Delaware Law in connection with the Merger. The consummation of the Merger being the "Closing" and the date such occurs being the "Closing Date." The Merger shall become effective at such time as the certificate of merger is duly filed with the Secretary of State of the State of Delaware or at such later date or time as is specified in the certificate of merger (the "Effective Time").

(c) From and after the Effective Time, the Surviving Corporation shall possess all the property, rights, privileges, immunities, powers and franchises and be subject to all of the debts,

liabilities, obligations, restrictions, disabilities and duties of the Company and Merger Co., all as provided under Delaware Law.

Section 3.02. Conversion of Shares. At the Effective Time:

(a) each share of Company Common Stock held by the Company or any Subsidiary as treasury stock or owned by Parent or any subsidiary of Parent immediately prior to the Effective Time shall be canceled, and no payment shall be made with respect thereto;

(b) each share of common stock, par value \$0.05 per share, of Merger Co. outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock, par value \$0.05 per share, of the Surviving Corporation with the same rights, powers and privileges as the shares so converted; and

(c) each share of Company Common Stock outstanding immediately prior to the Effective Time shall, except as otherwise provided in Section 3.02(a), be converted into the right to receive from Parent a number of shares (the "Merger Consideration") of Class A Common Stock, par value \$0.10 per share, of Parent ("Parent Common Stock"), determined as set forth below (the "Exchange Ratio"):

(i) If the Average Parent Common Stock Price is equal to or greater than \$15.40, the Exchange Ratio shall be 1.688 shares of Parent Common Stock;

(ii) If the Average Parent Common Stock Price is less than \$15.40 and greater than \$12.60, the Exchange Ratio shall be determined by dividing \$26.00 by the Average Parent Common Stock Price; and

(iii) If the Average Parent Common Stock Price is equal to or less than \$12.60, the Exchange Ratio shall be 2.063 shares of Parent Common Stock.

For purposes of this Section 3.02, "Average Parent Common Stock Price" means the average of the closing price per share of Parent Common Stock on the New York Stock Exchange, Inc. (the "NYSE") at the end of the regular session as reported

on the Consolidated Tape, Network A for the fifteen consecutive trading days ending on the fifth trading day immediately preceding the Effective Time.

Section 3.03. Surrender and Payment. (a) Prior to the Effective Time, Parent shall appoint an agent (the "Exchange Agent") for the purpose of exchanging certificates representing shares of Company Common Stock for the Merger Consideration. Parent shall cause Merger Co. to make available to the Exchange Agent, as soon as reasonably practicable as of or after the Effective Time, the Merger Consideration to be delivered in respect of the shares of Company Common Stock. Promptly after the Effective Time, the Surviving Corporation will send, or will cause the Exchange Agent to send, to each holder of shares of Company Common Stock at the Effective Time a letter of transmittal for use in such exchange (which shall specify that the

delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the certificates representing shares of Company Common Stock to the Exchange Agent).

(b) Each holder of shares of Company Common Stock that have been converted into a right to receive the Merger Consideration, upon surrender to the Exchange Agent of a certificate or certificates representing such shares of Company Common Stock, together with a duly executed and properly completed letter of transmittal covering such shares of Company Common Stock, will be entitled to receive the Merger Consideration in exchange for such shares of Company Common Stock. Until so surrendered, each such certificate shall, after the Effective Time, represent for all purposes, only the right to receive such Merger Consideration.

(c) If any portion of the Merger Consideration is to be delivered to a Person other than the registered holder of the shares of Company Common Stock represented by the certificate or certificates surrendered in exchange therefor, it shall be a condition to such delivery that the certificate or certificates so surrendered shall be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such delivery shall pay to the Exchange Agent any transfer or other taxes required as a result of such delivery to a Person other than the registered holder of such shares of Company Common Stock or establish to the satisfaction of the Exchange Agent that such tax has been paid or is not payable. For purposes of this Agreement, "Person" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

(d) After the Effective Time, there shall be no further registration of transfers of shares of Company Common Stock. If, after the Effective Time, certificates representing shares of Company Common Stock are presented to the Surviving Corporation, they shall be canceled and exchanged for the consideration provided for, and in accordance with the procedures set forth, in this Article 3.

(e) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to Section 3.03(a) that remains unclaimed by the holders of shares of Company Common Stock six months after the Effective Time shall be returned to the Surviving Corporation, upon demand, and any such holder who has not exchanged his shares of Company Common Stock for the Merger Consideration in accordance with this Section prior to that time shall thereafter look only to the Surviving Corporation for delivery of the Merger Consideration in respect of his shares of Company Common Stock. Notwithstanding the foregoing, the Surviving Corporation shall not be liable to any holder of shares of Company Common Stock for any amount paid to a public official pursuant to applicable abandoned property laws. Any shares of Parent Common Stock or amounts remaining unclaimed by holders of shares of Company Common Stock two years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any governmental entity) shall, to the extent permitted by applicable law, become the property of the Surviving Corporation free and clear of any claims or interest of any Person previously entitled thereto.

Section 3.04. Stock Options. (a) At or immediately prior to the Effective Time, each employee stock option or director stock option to purchase Shares outstanding under any

Company stock option plans, whether or not vested or exercisable (each, a "Company Option") shall, by virtue of the Merger and without any further action on the part of any holder thereof, be assumed by Parent and deemed to constitute an option (each, a "Parent Option") to acquire, on the same terms and conditions as were applicable under such Company Option (subject to Section 3.04(b)), the same number of shares of Parent Common Stock as the holder of such Company Option would have been entitled to receive pursuant to Section 3.02(c) of this Agreement had such holder exercised such Company Option in full immediately prior to the Effective Time (rounded to the nearest whole number), at a price per share (rounded down to the nearest whole cent) equal to (x) the aggregate exercise price for the share of Company Common Stock otherwise purchasable pursuant to such Company Option divided by (y) the number of whole shares of Parent Common Stock purchasable pursuant to the Parent Option in accordance with the foregoing. The other terms of each such Company Option, and the plans under which they were issued, shall continue to apply in accordance with their terms.  
[Subject to further discussion.]

(b) Prior to the Effective Time, the Company shall (i) obtain any consents from holders of Company Options and (ii) make any amendments to the terms of such Company Options or Company stock option plans that, in the case of either clauses (i) or (ii), are necessary or appropriate to give effect to the transactions contemplated by Section 3.04(a); provided, however, that lack of consent of any holder of a Company Option shall in no way affect the obligations of the parties to consummate the Merger.

(c) At or prior to the Effective Time, Parent shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Parent Common Stock for delivery upon exercise of the Parent Options. At or prior to the Effective Time, Parent shall file a registration statement on Form S-8, with respect to the shares of Parent Common Stock subject to such Parent Options.

Section 3.05. Withholding Rights. Each of the Surviving Corporation and Parent shall be entitled to deduct and withhold from the consideration otherwise deliverable to any Person pursuant to this Article 3 such amount as it is required to deduct and withhold with respect to the making of such delivery under any provision of federal, state, local or foreign tax law. If the Surviving Corporation or Parent, as the case may be, so withholds amounts, such amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock in respect of which the Surviving Corporation or Parent made such deduction and withholding.

#### **ARTICLE 4**

##### **THE SURVIVING CORPORATION**

Section 4.01. Certificate of Incorporation. The certificate of incorporation of Merger Co. in effect at the Effective Time shall be the certificate of incorporation of the Surviving Corporation until amended in accordance with applicable law.

Section 4.02. Bylaws. The bylaws of Merger Co. in effect at the Effective Time shall be the bylaws of the Surviving Corporation until amended in accordance with applicable law.

Section 4.03. Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with applicable law, (a) the directors of Merger Co. at the Effective Time shall be the directors of the Surviving Corporation, and (b) the officers of the Company at the Effective Time shall be the officers of the Surviving Corporation.

## ARTICLE 5

### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Parent as of the date hereof and as of the Effective Time that:

Section 5.01. Corporate Existence and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where the failure to be so qualified would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business, assets, liabilities or results of operations of the Company and the Subsidiaries taken as a whole ("Material Adverse Effect"). The Company has heretofore delivered to Parent true and complete copies of the Company's certificate of incorporation and bylaws as currently in effect.

Section 5.02. Corporate Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby are within the Company's corporate powers and, except for the approval by the Company's stockholders by a majority vote in connection with the consummation of the Merger, have been duly authorized by all necessary corporate and stockholder action under the Company's constituent documents and Delaware Law. This Agreement constitutes a valid and binding agreement of the Company.

Section 5.03. Governmental Authorization. The execution, delivery and performance by the Company of this Agreement and the consummation of the Merger by the Company require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than (a) the filing of a certificate of merger in accordance with Delaware Law; (b) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"); and (c) compliance with any applicable requirements of the **Exchange Act**.

Section 5.04. Non-Contravention. Except as set forth in Schedule 5.04, the execution, delivery and performance by the Company of this Agreement and the consummation by the

Company of the transactions contemplated hereby do not and will not (a) contravene or conflict with the certificate of incorporation or bylaws of the Company, (b) assuming compliance with the matters referred to in Section 5.03, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, writ, injunction, order or decree of any court or governmental authority binding upon or applicable to the Company or any Subsidiary or any of their properties or assets, (c) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of the Company or any Subsidiary or to a loss of any benefit to which the Company or any Subsidiary is entitled under any provision of any material agreement, contract or other instrument binding upon the Company or any Subsidiary or any license, franchise, permit or other similar authorization held by the Company or any Subsidiary, or (d) result in the creation or imposition of any Lien on any asset of the Company or any Subsidiary, except, in the case of clauses (b) and (d) of this Section 5.04, for any such violation, failure to obtain any such consent or other action, default, right, loss or Lien that would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. For purposes of this Agreement, "Lien" means, with respect to

any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Rawhide Merger Agreement has been terminated, is void and of no effect and the Company has no liabilities or obligations thereunder.

Section 5.05. Capitalization. The authorized capital stock of the Company consists of 200,000,000 shares of Company Common Stock and 25,000,000 shares of preferred stock, par value \$1.00 per share (the "Preferred Stock"). As of the close of business on [December \_\_\_, 2000], there were outstanding [105,575,778] shares of Common Stock and no shares of Preferred Stock. As of the close of business on [December \_\_\_, 2000], there were outstanding stock options to purchase an aggregate of [4,986,039] shares of Company Common Stock (of which options to purchase an aggregate of [2,541,525] shares of Company Common Stock were exercisable). All outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable. Except as set forth in Schedule 5.05 and this Section and except for changes since December \_\_\_, 2000 resulting from the exercise of employee stock options outstanding on such date, there are outstanding (a) no shares of capital stock or other voting securities of the Company, (b) no securities of the Company convertible into or exchangeable for shares of capital stock or voting securities of the Company, and (c) no options or other rights to acquire from the Company or any Subsidiary, and no obligation of the Company or any Subsidiary to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Company (the items in clauses (a), (b) and (c) of this Section 5.05 being referred to collectively as the "Company Securities"). There are no outstanding obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any Company Securities.

Section 5.06. Subsidiaries. (a) Each Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except for those jurisdictions where failure to be so qualified would not, individually or in the aggregate,

reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, "Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by the Company and/or one or more Subsidiaries. All Subsidiaries and their respective jurisdictions of incorporation are identified in Schedule 5.06.

(b) Except as set forth in Schedule 5.06, all of the outstanding capital stock of, or other ownership interests in, each Subsidiary, is owned by the Company, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other ownership interests). There are no outstanding (i) securities of the Company or any Subsidiary convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in any Subsidiary, and (ii) options or other rights to acquire from the Company or any Subsidiary, and no other obligation of the Company or any Subsidiary to issue, any capital stock, voting securities or other ownership interests in, or any securities convertible into or exchangeable for any capital stock, voting securities or ownership interests in, any Subsidiary (the items in clauses (i) and (ii) of this Section 5.06(b) being referred to collectively as the "Subsidiary Securities"). There are no outstanding obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any outstanding Subsidiary Securities.

Section 5.07. SEC Filings. (a) The Company has delivered to Parent (i) the Company's annual report on Form 10-K for the year ended December 25, 1999 (the "Company 10-K"), (ii) its quarterly report on Form 10-Q for its fiscal quarter ended September 23, 2000, its quarterly report on Form 10-Q for its fiscal quarter ended June 24, 2000 (as amended) and its quarterly report on Form 10-Q for its fiscal quarter ended March 25, 2000 (together, the "Company 10-Qs"), (iii) its proxy or information statements relating to meetings of, or actions taken without a meeting by, the stockholders of the Company held since January 1, 1998, and (iv) all of its other reports, statements, schedules and registration statements filed with the SEC since January 1, 1998.

(b) As of its filing date, each such report or statement filed pursuant to the Exchange Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(c) Each such registration statement, as amended or supplemented, if applicable, filed pursuant to the Securities Act of 1933, as amended (the "Securities Act"), as of the date such statement or amendment became effective did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

Section 5.08. Financial Statements. The audited consolidated financial statements of the Company included in the Company 10-K and the unaudited consolidated financial statements of the Company included in the Company 10-Qs each fairly present, in conformity with generally accepted accounting principles applied on a consistent basis (except as may be indicated in the

notes thereto), the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and changes in financial position for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements). For purposes of this Agreement, "Balance Sheet" means the consolidated balance sheet of the Company as of December 25, 1999 set forth in the Company 10-K and "Balance Sheet Date" means December 25, 1999.

Section 5.09. Disclosure Documents. (a) Each document required to be filed by the Company with the SEC in connection with the transactions contemplated by this Agreement (the "Company Disclosure Documents"), including, without limitation, (i) the Schedule 14D-9 (including information required by Rule 14F-1 under the Exchange Act) and (ii) the proxy or information statement of the Company containing information required by Regulation 14A under the Exchange Act (the "Company Proxy Statement"), if any, to be filed with the SEC in connection with the Offer or the Merger and any amendments or supplements thereto will, when filed, comply as to form in all material respects with the applicable requirements of the Exchange Act except that no representation or warranty is made hereby with respect to any information furnished to the Company by Parent in writing specifically for inclusion in the Company Disclosure Documents.

(b) At the time the Schedule 14D-9[A] and the Company Proxy Statement or any amendment or supplement thereto is first mailed to stockholders of the Company, and, with respect to the Company Proxy Statement only, at the time such stockholders vote on adoption of this Agreement and at the Effective Time, the Schedule 14D-9[A] and the Company Proxy Statement, as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the filing of any Company Disclosure Document other than the Company Proxy Statement and at the time of any distribution thereof, such Company Disclosure Document will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 5.09(b) will not apply to statements or omissions included in the Company Disclosure Documents based upon information furnished to the Company in writing by Parent specifically for use therein.

(c) Neither the information with respect to the Company or any Subsidiary that the Company furnishes in writing to Parent specifically for use in the Parent Disclosure Documents (as defined in Section 9.01) nor the information incorporated by reference from documents filed by the Company with the SEC or any other governmental or regulatory authority will, at the time of the filing thereof, at the time of any distribution thereof and at the time of the meeting of the Company's stockholders, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Section 5.10. Absence of Certain Changes. Except as set forth in Schedule 5.10 hereto, the Company 10-K or the Company 10-Qs, since the Balance Sheet

---

**Date, the Company and the**

Subsidiaries have conducted their business in the ordinary course consistent with past practice and there has not been:

- (a) any event, occurrence or development of a state of circumstances or facts which has had or reasonably could be expected to have a Material Adverse Effect;
- (b) other than regular quarterly dividends in an amount not in excess of \$.025 per share per quarter, any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of the Company, or any repurchase, redemption or other acquisition by the Company or any Subsidiary of any outstanding shares of capital stock or other securities of, or other ownership interests in, the Company or any Subsidiary;
- (c) any amendment of any material term of any outstanding security of the Company or any Subsidiary that could reasonably be expected to be materially adverse to the Company;
- (d) any incurrence, assumption or guarantee by the Company or any Subsidiary of any indebtedness for borrowed money other than in the ordinary course of business and in amounts and on terms consistent with past practices;
- (e) any creation or assumption by the Company or any Subsidiary of any material Lien on any material asset other than in the ordinary course of business consistent with past practices;
- (f) any making of any material loan, advance or capital contributions to or investment in any Person other than loans, advances or capital contributions to or investments in wholly-owned Subsidiaries made in the ordinary course of business consistent with past practices;
- (g) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of the Company or any Subsidiary which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect;
- (h) any transaction or commitment made, or any contract or agreement entered into, by the Company or any Subsidiary relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by the Company or any Subsidiary of any contract or other right, in either case, that has had or would reasonably be expected to have a Material Adverse Affect, other than transactions and commitments in the ordinary course of business consistent with past practice and those contemplated by this Agreement;
- (i) any change in any method of accounting or accounting practice by the Company or any Subsidiary, except for any such change required by reason of a concurrent change in generally accepted accounting principles;

(j) any (i) grant of any severance or termination pay to any director or executive officer of the Company or any Subsidiary, (ii) entering into of any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any director or executive officer of the Company or any Subsidiary, (iii) material increase in benefits payable under any existing severance or termination pay policies or employment agreements or (iv) increase in compensation, bonus or other benefits payable to directors, officers or employees of the Company or any Subsidiary, other than in the case of clauses (iii) and (iv) in the ordinary course of business consistent with past practice;

(k) any labor dispute, other than routine individual grievances, or any activity or proceeding by a labor union or representative thereof to organize any employees of the Company or any Subsidiary, which employees were not subject to a collective bargaining agreement at the Balance Sheet Date, or any lockouts, strikes, slowdowns, work stoppages or threats thereof by or with respect to such employees which have had or could reasonably be expected to have a Material Adverse Effect; or

(l) any cancellation of any licenses, sublicenses, franchises, permits or agreements to which the Company or any Subsidiary is a party, or any notification to the Company or any Subsidiary that any party to any such arrangements intends to cancel or not renew such arrangements beyond its expiration date as in effect on the date hereof, which cancellation or notification, individually or in the aggregate, has had or reasonably could be expected to have a Material Adverse Effect.

Section 5.11. No Undisclosed Material Liabilities. Except as set forth in Schedule 5.11, the Company 10-K or the Company 10-Qs, there are no liabilities of the Company or any Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, other than:

(a) liabilities disclosed or provided for in the Balance Sheet;

(b) liabilities incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date or as otherwise specifically contemplated by this Agreement;

(c) liabilities under this Agreement; and

(d) other liabilities which individually or in the aggregate do not and could not reasonably be expected to have a Material Adverse Effect.

Section 5.12. Litigation. Except as set forth in Schedule 5.12, the Company 10-K or the Company 10-Qs, there is no action, suit, investigation or proceeding (or any basis therefor) pending against, or to the knowledge of the Company threatened against or affecting, the Company or any Subsidiary or any of their respective properties before any court or arbitrator or any governmental body, agency or official which could reasonably be expected to have a Material

Adverse Effect, or which as of the date hereof in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Merger or any of the other transactions contemplated hereby.

Section 5.13. Taxes. (a) Except as set forth in Schedule 5.13 or as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(i) all Tax returns, statements, reports and forms (including estimated Tax returns and reports and information returns and reports) required to be filed with any taxing authority with respect to any Tax period (or portion thereof) ending on or before the Effective Time (a "Pre-Closing Tax Period") by or on behalf of the Company or any Subsidiary of the Company (collectively, the "Returns"), were filed when due (including any applicable extension periods) in accordance with all applicable laws; as of the time of filing, the Returns were true and complete in all material respects;

(ii) the Company and its Subsidiaries have timely paid, or withheld and remitted to the appropriate Taxing authority, all Taxes shown as due and payable on the Returns that have or should have been filed;

(iii) the charges, accruals and reserves for Taxes with respect to the Company and any Subsidiary for any Pre-Closing Tax Period or Straddle Period (including any Pre-Closing Tax Period or Straddle Period for which no Return has yet been filed) reflected on the Balance Sheet (in addition to any provision for deferred income Taxes) are adequate to cover such Taxes as of the Balance Sheet Date. "Straddle Board" is any tax period beginning before the Effective Time but ending after the Effective Time.

(iv) there is no claim (including under any indemnification or Tax-sharing agreement), audit, action, suit, proceeding, or investigation now pending or threatened in writing against or in respect of any Tax or "Tax asset" of the Company or any Subsidiary. For purposes of this Section 5.13, the term "Tax Asset" shall include any net operating loss, net capital loss, investment Tax credit, foreign Tax credit, charitable deduction or any other credit or Tax attribute which could be carried forward or back to reduce Taxes;

(v) there are no Liens for Taxes upon the assets of the Company or its Subsidiaries except for Liens for current Taxes not yet due; and

(vi) neither the Company nor any Subsidiary is currently under any obligation to pay any amounts of the type described in clause (ii) or (iii) of the definition of "Tax", regardless of whether such Tax is imposed on the Company or any Subsidiary.

(b) For purposes of this Section 5.13, "tax" means (i) any tax, governmental fee or other like assessment or charge of any kind whatsoever (including, but not limited to, withholding

on amounts paid to or by any Person), together with any interest, penalty, addition to tax or additional amount imposed by any governmental authority responsible for the imposition of any such tax (domestic or foreign), (ii) in the case of the Company or any Subsidiary, liability for the payment of any amount of the type described in clause (i) as a result of being or having been before the Effective Time a member of an affiliated, consolidated, combined or unitary group (other than such a group of which the Company or any of its Subsidiaries is the common parent), or a party to any agreement or arrangement, as a result of which liability of the Company or any Subsidiary to a taxing authority is determined or taken into account with reference to the liability of any other Person, and (iii) liability of the Company or any Subsidiary for the payment of any amount as a result of being party to any tax sharing agreement or with respect to the payment of any amount of the type described in (i) or (ii) as a result of any existing express obligation (including, but not limited to, an indemnification obligation).

Section 5.14. ERISA. (a) Schedule 5.14 contains a correct and complete list identifying each material "employee benefit plan", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), each employment, severance or similar contract, plan, arrangement or policy and each other plan or arrangement (written or oral) providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangements), health or medical benefits, employee assistance program, disability or sick leave benefits, workers' compensation, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits) which is maintained, administered or contributed to by the Company or any Subsidiary and covers any employee or former employee of the Company or any Subsidiary, or with respect to which the Company or any Subsidiary has any liability with respect to any employee or former employee of the Company or any Subsidiary (other than any such plan, contract, policy or arrangement that is an International Plan, as defined below). Copies of such plans (and, if applicable, related trust or funding agreements or insurance policies) and all amendments thereto and written interpretations thereof have been made available to Parent together with the most recent annual report (Form 5500 including, if applicable, Schedule B thereto) and tax return (Form 990) prepared in connection with any such plan or trust. Such plans are referred to collectively herein as the "Employee Plans". For purposes of this Section 5.14, "ERISA Affiliate" of any Person means any other Person which, together with such Person, would be treated as a single employer under Section 414 of the Internal Revenue Code of 1986, as amended (the "Code").

---

(b) Schedule 5.14 separately identifies each Employee Plan that is subject to Title IV of ERISA (other than a Multiemployer Plan, as defined below) (a "Title IV Plan"). Schedule 5.14 separately identifies each Employee Plan which is a multiemployer plan, as defined in Section 3(37) of ERISA (a "Multiemployer Plan"). Except as would not reasonably be expected to have a Material Adverse

---

Affect, if a "complete withdrawal" by Seller and all of its ERISA Affiliates were to occur as of the Effective Time with respect to all Multiemployer Plans, to the knowledge of the Company, none of the Company, any Subsidiary or any of their ERISA Affiliates would incur any withdrawal liability under Title IV of ERISA. Neither the Company nor any ERISA Affiliate of the Company has incurred any liability under Title IV of ERISA (other than for PBGC Premium not yet due).

(c) A current favorable Internal Revenue Service determination letter is in effect with respect to each Employee Plan which is intended to be qualified under Section 401(a) of the Code (or the relevant remedial amendment period has not expired with respect to such Employee Plan), and the Company knows of no circumstance giving rise to a material likelihood that such letter could be revoked by the Internal Revenue Service. The Company has made available to Parent copies of the most recent Internal Revenue Service determination letters with respect to each such Plan. Each Employee Plan has been maintained in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such Employee Plan, other than any non-compliance which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No events have occurred with respect to any Employee Plan that would reasonably be expected to result in payment or assessment of any material excise taxes under Sections 4972, 4975, 4976, 4977, 4979, 4980B, 4980D, 4980E or 5000 of the Code, other than any excise taxes which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(d) The consummation of the transactions contemplated by this Agreement will not (either alone or together with any termination of employment) entitle any employee or independent contractor of the Company or any Subsidiary to severance pay or accelerate the time of payment or vesting or trigger any payment of funding (through a grantor trust or otherwise) of material compensation or benefits under, materially increase the amount payable or trigger any other material obligation pursuant to, any Employee Plan.

(e) Neither the Company nor any Subsidiary has any liability in respect of post-retirement health, medical or life insurance benefits for retired, former or current employees of the Company or its Subsidiaries except for coverage under Section 4980B of the Code or coverage the full cost of which is paid for by the retired, former or current employee.

(f) There has been no amendment to, written interpretation or announcement (whether or not written) by the Company or any of its Affiliates relating to, or change in employee participation or coverage under, an Employee Plan which would increase the expense of maintaining such Employee Plan above the level of the expense incurred in respect thereof for the fiscal year ended December 25, 1999, except for any such increase which would not reasonably be expected to have a Material Adverse Effect.

(g) Neither the Company nor any Subsidiary is a party to or subject to, or is currently negotiating in connection with entering into, any collective bargaining agreement or other contract or understanding with a labor union or labor organization.

(h) Except for any failures which would not be reasonably expected to have a Material Adverse Effect, all contributions and payments accrued under each Employee Plan, determined in accordance with prior funding and accrual practices, as adjusted to include proportional accruals for the period ending as of the date hereof, have been discharged and paid on or prior to the date hereof except to the extent reflected as a liability on the Balance Sheet.

(i) Schedule 5.14(i) identifies each International Plan (as defined below) covering 100 employees or more. The Company has furnished to Parent copies of each International Plan. Each International Plan has been maintained in compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations (including any special provisions relating to qualified plans where such Plan was intended to so qualify) and has been maintained in good standing with applicable regulatory authorities, other than any non-compliance which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There has been no amendment to, written interpretation of or announcement (whether or not written) by the Company or any Subsidiary relating to, or change in employee participation or coverage under, any International Plan that would increase the expense of maintaining such International Plan above the level of expense incurred in respect thereof for the most recent fiscal year ended prior to the date hereof, except for any such increase which would not reasonably be expected to have a Material Adverse Effect. For purposes of this Section, "International Plan" means any employment, severance or similar contract or arrangement (whether or not written) or any plan, policy, fund, program or arrangement or contract providing for severance, insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or benefits that (i) is intended primarily for the benefit of employees or beneficiaries based outside the U.S., (ii) is entered into, maintained, administered or contributed to by the Company or any Subsidiary and (iii) covers any employee or former employee of the Company or any Subsidiary.

Section 5.15. Labor Matters. Except as set forth in Schedule 5.15 and except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there are no (i) labor strikes, disputes, slowdowns, representation or certification campaigns or work stoppages or other concerted activities with respect to employees of any of the Company or any Subsidiary pending, or to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary, (ii) grievance or arbitration proceedings, decisions, side letters, letter agreements, letters of understanding or settlement agreements arising out of collective bargaining agreements to which the Company or any Subsidiary is a party, (iii) unfair labor practice complaints pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary, or (iv) activities or proceedings of any labor union or employee association to organize any such employees.

(b) Except to the extent set forth in Schedule 5.15 and except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and its Subsidiaries are in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours.

(c) Except to the extent set forth in Schedule 5.15 and except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there are no pending administrative matters with any federal, provincial, state or local agencies regarding (i) violations or alleged violations of any federal, provincial, state or local wage and hour law or any federal, provincial, state or local law with respect to discrimination on

the basis of race, color, creed, national origin, religion or any other basis under such federal, provincial, state or local law, (ii) any claimed violation of Title VII of the 1964 Civil Rights Act, as amended, (iii) any allegation or claim arising out of Executive Order 11246 or any other applicable order relating to governmental contractors or state contractors, or (iv) any violation or alleged violation of the Age Discrimination and Employment Act, as amended, or any other federal, provincial, state or local statute or ordinance, or any other applicable laws with respect to wages, hours, employment practices and terms and conditions of employment.

Section 5.16. Compliance with Laws. Except to the extent set forth in Schedules 5.11, 5.12 and 5.19, neither the Company nor any Subsidiary is in violation of, or has since January 1, 1999 violated, and to the knowledge of the Company none is under investigation with respect to or has been threatened to be charged with or given notice of any violation of, any applicable law, rule, regulation, judgment, injunction, order or decree, except for violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.17. Licenses and Permits. Except as set forth on Schedule 5.17 and except where the failure of the following to be true would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (i) the Company or its Subsidiaries own, hold or possess adequate right to use all material licenses, franchises, permits, certificates, approvals or other similar authorizations affecting, or relating in any way to, the assets or business of the Company and its Subsidiaries (the "Permits") required in connection with the operation of the business of the Company and its Subsidiaries, (ii) the Permits are valid and in full force and effect, (iii) neither the Company nor any Subsidiary is in default under, and no condition exists that with notice or lapse of time or both would constitute a default under, the Permits and (iv) none of the Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

Section 5.18. Intellectual Property. Except as set forth in Schedule 5.18, the Company and the Subsidiaries own or possess adequate licenses or other rights to use all Intellectual Property Rights necessary to conduct the business now operated by them, except where the failure to own or possess such licenses or rights has not had and would not be reasonably likely to have a Material Adverse Effect and, to the knowledge of the Company, the Intellectual Property Rights of the Company and the Subsidiaries do not conflict with or infringe upon any Intellectual Property Rights of others to the extent that, if sustained, such conflict or infringement has had and would be reasonably likely to have a Material Adverse Effect. For purposes of this Agreement, an "Intellectual Property Right" means any trademark, service mark, trade name, mask work, copyright, patent, software license, other data base, invention, trade secret, know-how (including any registrations or applications for registration of any of the foregoing) or any other similar type of proprietary intellectual property right.

Section 5.19. Environmental Matters. (a) Except for such matters, individually or in the aggregate, as would not be reasonably expected to have a Material Adverse Effect or as set forth in Schedule 5.19, the Company 10-K or the Company 10-Qs:

(i) no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed, and no investigation, action, claim, suit, proceeding or review (or any basis therefor) is pending or, to the knowledge of the Company or any Subsidiary, is threatened by any governmental entity or other Person with respect to any matters relating to the Company or any Subsidiary and relating to or arising out of any Environmental Law;

(ii) there are no liabilities of or relating to the Company or any Subsidiary of any kind whatsoever whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law, and there are no facts, conditions, situations or set of circumstances that could reasonably be expected to result in or be the basis for any such liability;

(iii) the Company and its Subsidiaries are and have been in compliance with all Environmental Laws and have obtained and are in compliance with all Environmental Permits; and

(iv) no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted or released at any property now or previously owned, leased or operated by the Company or any Subsidiary.

For purposes of this Section 5.19(a), the "Company" and "Subsidiary" shall include any entity which is, in whole or in part, a predecessor of the Company or any Subsidiary.

(b) Since January 1, 1997, except as set forth in Schedule 5.19, there has been no written environmental investigation, study, audit, test, review or other analysis conducted of which the Company has knowledge in relation to the current or prior business of the Company or any Subsidiary or any property or facility now or previously owned, leased or operated by the Company or any Subsidiary which has not been delivered (to the extent the Company has possession thereof) to Parent at least five days prior to the date hereof.

(c) Except as set forth in Schedule 5.19, neither the Company nor any Subsidiary owns, leases or operates or has owned, leased or operated any real property, or conducts or has since January 1, 1997 conducted any operations, in New Jersey or Connecticut.

(d) For purposes of this Section 5.19, the following terms shall have the meanings set forth below:

"Environmental Laws" means any federal, state, provincial, local and foreign law (including, without limitation, common law), treaty, judicial decision, regulation, rule, judgment, order, decree, injunction, permit or governmental restriction or requirement or any agreement or contract with any governmental authority or other third party, relating to human health and safety, the environment or to pollutants, contaminants, wastes or

chemicals or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substances, wastes or materials.

"Environmental Permits" means all permits, licenses, franchises, certificates, approvals and other similar authorizations of governmental authorities relating to or required by Environmental Laws and affecting the business of the Company or any of its Subsidiaries as currently conducted.

"Hazardous Substances" means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material, or any substance, waste or material having any constituent elements displaying of the foregoing characteristics, including, without limitation, petroleum, its derivatives, by-products and other hydrocarbons, which in any event is regulated under Environmental Laws.

Section 5.20. Finders' Fees. Except for J.P. Morgan Securities Inc. and a copy of whose engagement agreements have been provided to Parent, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Company or any Subsidiary who might be entitled to any fee or commission from Parent or any of its affiliates upon consummation of the transactions contemplated by this Agreement.

Section 5.21. Inapplicability of Certain Restrictions. The Company has taken all action necessary to exempt the Offer, the Merger, this Agreement, and the transactions contemplated hereby from Section 203 of the Delaware Law. Except to the extent otherwise provided in the condition set forth in Section 10.03(c), the adoption of this Agreement by the affirmative vote of the holders of shares of Company Common Stock entitling such holders to exercise at least a majority of the voting power of the shares of Company Common Stock is the only vote of holders of any class or series of the capital stock of the Company required to adopt this Agreement, or to approve the Merger or any of the other transactions contemplated hereby and no higher or additional vote is required pursuant to the Company's Certificate of Incorporation or otherwise.

Section 5.22. Rights Plan. The Company has not entered into, and its Board of Directors has not adopted or authorized the adoption of, a shareholder rights or similar agreement.

## **ARTICLE 6**

### **REPRESENTATIONS AND WARRANTIES OF PARENT**

Parent represents and warrants to the Company as of the date hereof and as of the Effective Time that:

Section 6.01. Corporate Existence And Power. Each of Parent and Merger Co. is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Since the date of its incorporation,

Merger Co. has not engaged in any activities other than in connection with or as contemplated by this Agreement.

Section 6.02. Corporate Authorization. The execution, delivery and performance by Parent and Merger Co. of this Agreement and the consummation by Parent and Merger Co. of the transactions contemplated hereby are within the corporate powers of Parent and Merger Co. and have been duly authorized by all necessary corporate and stockholder action. This Agreement constitutes a valid and binding agreement of each of Parent and Merger Co.

Section 6.03. Governmental Authorization. The execution, delivery and performance by Parent and Merger Co. of this Agreement and the consummation by Parent and Merger Co. of the transactions contemplated by this Agreement require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than (a) the filing of a certificate of merger in accordance with Delaware Law, (b) compliance with any applicable requirements of the HSR Act; and (c) compliance with any applicable requirements of the Exchange Act.

Section 6.04. Non-Contravention. The execution, delivery and performance by Parent and Merger Co. of this Agreement and the consummation by Parent and Merger Co. of the transactions contemplated hereby do not and will not (a) contravene or conflict with the certificate of incorporation or bylaws of Parent or Merger Co., (b) assuming compliance with the matters referred to in Section 6.03, contravene or conflict with any provision of law, regulation, judgment,

order or decree binding upon Parent or Merger Co., or (c) constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation of Parent or Merger Co. or to a loss of any benefit to which Parent or Merger Co. is entitled under any agreement, contract or other instrument binding upon Parent or Merger Co.

Section 6.05. SEC Filings. (a) Parent has delivered to the Company (i) Parent's annual report on Form 10-K for the year ended September 30, 2000 (the "Parent 10-K"), (ii) its proxy or information statements relating to meetings of, or actions taken without a meeting by, the stockholders of the Company held since January 1, 1999, and (iii) all of its other reports, statements, schedules and registration statements filed with the SEC since January 1, 1999.

(b) As of its filing date, each such report or statement filed pursuant to the Exchange Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(c) Each such registration statement, as amended or supplemented, if applicable, filed pursuant to the Securities Act as of the date such statement or amendment became effective did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

Section 6.06. Parent Financial Statements. The audited consolidated financial statements and unaudited consolidated interim financial statements of Parent included in the Parent 10-K fairly present, in all material respects, in conformity with generally accepted accounting principles applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated

financial position of Parent and its consolidated subsidiaries as of the dates thereof and their consolidated statements of income, stockholders' equity and cash flows for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements). For purposes of this Agreement, "Parent Balance Sheet" means the consolidated balance sheet of Parent as of September 30, 2000 as set forth in the Company 10-K and "Parent Balance Sheet Date" means September 30, 2000.

Section 6.07. No Undisclosed Material Liabilities. Except as set forth in [Schedule 6.07] or the Parent 10-K, there are no liabilities, commitments or obligations of the Parent or any of its subsidiaries of any kind whatsoever whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances that would reasonably be likely to result in such a liability commitment or obligation, other than:

- (a) liabilities, commitments or obligations disclosed or provided for in the Parent Balance Sheet or in the Parent 10-K;
- (b) liabilities, commitments or obligations incurred in the ordinary course of business consistent with past practice since the Parent Balance Sheet Date;
- (c) liabilities, commitments or obligations under this Agreement; and
- (d) liabilities, commitments or obligations that individually or in the aggregate have not had and are not reasonably likely to have a material adverse effect on the condition (financial or otherwise), business, assets, liabilities or results of operations of the Parent and its subsidiaries taken as a whole.

Section 6.08. Disclosure Documents. (a) Each document required to be filed by Parent with the SEC in connection with the transactions contemplated by this Agreement (the "Parent Disclosure Documents"), including, without limitation, (i) the Form TO/A and (ii) the Form S-4 (as defined in Section 9.01) to be filed with the SEC in connection with the Offer or the Merger and any amendments or supplements thereto will, when filed, comply as to form in all material respects with the applicable requirements of the Exchange Act except that no representation or warranty is made hereby with respect to any information furnished to Parent by the Company in writing specifically for inclusion in the Company Disclosure Documents.

- (b) At the time the Form TO/A and the Form S-4 or any amendment or supplement thereto is first mailed to stockholders of the Company, and, with respect to the Form S-4 only, at the time such Form S-4 is declared effective by the SEC, the Form TO/A and the Form S-4, as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the filing of any Parent Disclosure Document other than the Form S-4 and at the time of any distribution thereof, such Parent Disclosure Document will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 6.08 (b) will not apply to statements or omissions included in the Parent

Disclosure Documents based upon information furnished to Parent in writing by the Company specifically for use therein.

(c) Neither the information with respect to Parent or any of its subsidiaries that Parent furnishes in writing to the Company specifically for use in the Company Disclosure Documents nor the information incorporated by reference from documents filed by Parent with the SEC or any other governmental or regulatory authority will, at the time of the filing thereof, at the time of any distribution thereof and at the time of the meeting of the Company's stockholders, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Section 6.09. Finders' Fees. Except for Merrill Lynch & Co., whose fees will be paid by Parent, there is no investment banker, broker, finder or other intermediary who might be entitled to any fee or commission from the Company or any of its affiliates upon consummation of the transactions contemplated by this Agreement.

## **ARTICLE 7**

### **COVENANTS OF THE COMPANY**

Section 7.01. Conduct of the Company. From the date hereof until the Control Date, the Company and the Subsidiaries shall conduct their business in the ordinary course consistent with past practice and shall use their reasonable best efforts to preserve intact their business organizations and relationships with third parties and to keep available the services of their present officers and employees. Without limiting the generality of the foregoing, from the date hereof until the Control Date and unless consented to in writing by Parent, the Company will not and will cause its Subsidiaries not to:

(a) adopt or propose any change in its certificate of incorporation or bylaws;

(b) except pursuant to existing agreements or arrangements, or as specifically permitted by this Agreement:

(i) acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof for an amount in excess of \$20 million in the aggregate, or sell, lease or otherwise dispose of a subsidiary or an amount of assets or securities for an amount in excess of \$125 million in the aggregate;

(ii) make any investment in an amount in excess of \$20 million in the aggregate whether by purchase of stock or securities, contributions to capital or any property transfer, or purchase for an amount in excess of \$20 million in the aggregate, any property or assets of any other individual or entity;

- (iii) other than in the ordinary course of business consistent with past practice, waive, release, grant, or transfer any rights of material value;
  - (iv) other than in the ordinary course of business consistent with past practice, modify or change in any material respect any existing material license, lease, contract, or other document;
  - (v) incur, assume or prepay an amount of long-term or short-term debt in excess of \$125 million in the aggregate (net of cash and marketable securities);
  - (vi) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person (other than any Subsidiary) which, are in excess of \$10 million in the aggregate;
  - (vii) make any loans, advances or capital contributions to, or investments in, any other person which are in excess of \$20 million in the aggregate; or
  - (viii) authorize any new capital expenditures which, individually or in the aggregate, would cause total capital expenditures for the calendar year 2000 and the first quarter of calendar year 2001 to exceed \$565 million.
- (c) split, combine or reclassify any shares of its capital stock, declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock except regular quarterly dividends, other than cash dividends and distributions by a wholly owned subsidiary of the Company to the Company or to a subsidiary all of the capital stock of which is owned directly or indirectly by the Company, or, other than consistent with its past practice of acquiring shares of Company Common Stock to meet its obligation to reserve and issue shares of Company Common Stock under any stock option or compensation plan or arrangement of the Company, redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its securities or any securities of its Subsidiaries;

(d) except as specifically permitted by this Agreement, adopt or amend any material bonus, profit sharing, compensation, severance, termination, stock option, pension, retirement, deferred compensation, employment or employee benefit plan, agreement, trust, plan, fund or other arrangement for the benefit and welfare of any director, officer or employee, or (except for normal increases in the ordinary course of business that are consistent with past practices and that, in the aggregate, do not result in a material increase in benefits or compensation expense to the Company) increase in any manner the compensation or fringe benefits of any director, officer or employee or pay any benefit not required by any existing plan or arrangement (including, without limitation, the granting of stock options or stock appreciation rights or the removal of existing restrictions in any benefit plans or agreements);

(e) except as set forth in Schedule 7.01, pay, discharge or satisfy any material claims, liabilities or obligations (whether absolute, accrued, asserted or unasserted, contingent or otherwise) other than the payment, discharge or satisfaction in the ordinary course of business, consistent with past practices, of liabilities reflected or reserved against in the consolidated financial statements of the Company or incurred in the ordinary course of business, consistent with past practices;

(f) except as set forth in Schedule 7.01, approve any new labor agreements;

(g) take any action other than in the ordinary course of business and consistent with past practices with respect to accounting policies or procedures;

(h) agree or commit to do any of the foregoing; or

(i) knowingly take or agree or commit to take any action that would make any representation and warranty of the Company hereunder inaccurate in any material respect at, or as of any time prior to, the Effective Time.

Section 7.02. Stockholder Meeting. (a) The Company shall cause a meeting of its stockholders (the "Company Stockholder Meeting") to be duly called and held after the purchase of and payment for the shares of Company Common Stock pursuant to the offer for the purpose of voting on the approval and adoption of this Agreement and the Merger. Subject to Section 7.04, the Board of Directors of the Company shall recommend approval and adoption of this Agreement and the Merger by the Company's stockholders and shall not withdraw such recommendation.

Section 7.03. Access to Information. From the date hereof until the Effective Time, the Company will (a) give Parent and its counsel, financial advisors, auditors and other authorized representatives (collectively, the "Representatives") reasonable access during normal business hours to the offices, properties, books and records of the Company and the Subsidiaries, (b) provide the Representatives access to and the right to consult with representatives of the Company handling any labor negotiations with any union representing employees of the Company, (c) furnish to Parent and the Representatives such financial and operating data and other information as such Persons may reasonably request in order to complete the transactions contemplated hereby and (d) instruct the Company's employees, counsel and financial advisors to cooperate with Parent in its investigation of the business of the Company and the Subsidiaries; PROVIDED that (i) any information provided to Parent or the Representatives pursuant to this Section shall be subject to the Confidentiality Agreement and (ii) Parent shall inform the Representatives receiving such information of the terms of the Confidentiality Agreement and shall be responsible for any breach by such Representatives of such Confidentiality Agreement; and PROVIDED FURTHER that no investigation pursuant to this Section shall affect any representation or warranty given by the Company to Parent hereunder.

Section 7.04. Other Offers. (a) Neither the Company nor any of its Subsidiaries shall (whether directly or indirectly through advisors, agents or other intermediaries), nor shall the Company or any of its Subsidiaries authorize or permit any of its or their officers, directors,

agents, representatives, advisors or Subsidiaries to (x) solicit, initiate or take any action to facilitate or encourage the submission of inquiries, proposals or offers from any Person (as defined below) (other than Parent) relating to any Acquisition Proposal, or agree to or endorse any Acquisition Proposal, (y) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal, or furnish to any Person any information with respect to its business, properties or assets in connection with any Acquisition Proposal or (z) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Company or any of its Subsidiaries; PROVIDED, however, that, prior to the acceptance for payment of shares of Company Common Stock pursuant to the Offer, the foregoing shall not prohibit the Company (either directly or indirectly through advisors, agents or other intermediaries) from (i) furnishing information pursuant to a confidentiality letter deemed appropriate by the Special Committee (a copy of which shall be provided for informational purposes only to Parent) concerning the Company and its businesses, properties or assets to a Person who in the judgment of the Special Committee has made a bona fide Acquisition Proposal,

(ii) engaging in discussions or negotiations with such a Person who in the judgment of the Special Committee has made a bona fide Acquisition Proposal,

(iii) following receipt of a bona fide Acquisition Proposal, taking and disclosing to its stockholders a position contemplated by Rule 14e-2(a) under the Exchange Act or otherwise making disclosure to its stockholders, (iv) following receipt of an Acquisition Proposal, failing to make or withdrawing or modifying its recommendation referred to in Section 7.02 and/or (v) taking any non-appealable, final action ordered to be taken by the Company by any court of competent jurisdiction but in each case referred to in the foregoing clauses

(i), (ii) and (iv) only if (i) the Company has complied with the terms of this

Section 7.04, (ii) the Company has received an unsolicited Acquisition Proposal which the Board of Directors of the Company determines in good faith is reasonably likely to result in a Superior Proposal, and (iii) the Company shall have delivered to Parent a prior written notice advising Parent that it intends to take such action. The Company will immediately cease and cause its advisors, agents and other intermediaries to cease any and all existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. For purposes of this Section 7.04, the term "Person" means any person, corporation, entity or "group," as defined in Section 13(d) of the Exchange Act, other than Parent or any of its affiliates.

"Acquisition Proposal" means any offer or proposal for a merger, reorganization, consolidation, share exchange, business combination or other similar transaction involving the Company or any of its Subsidiaries or any proposal or offer to acquire, directly or indirectly, securities representing more than 50% of the voting power of the Company, or a substantial portion of the assets of the Company and its Subsidiaries taken as a whole, other than the Offer and the Merger contemplated by this Agreement.

"Superior Proposal" means any bona fide written Acquisition Proposal which (i) the Board of Directors of the Company determines in good faith (after consultation with a financial advisor of nationally recognized reputation and taking into account all the terms and conditions of the Acquisition Proposal) is (a) more favorable to the Company and its stockholders from a financial point of view than the transaction contemplated hereunder, and (b) reasonably capable of being completed, including a conclusion that its financing, to the extent required, is then committed or is in the good faith judgment of the Board of

Directors of the Company, reasonably capable of being financed by the Person making such Acquisition Proposal.

(b) If a Payment Event (as hereinafter defined) occurs, the Company shall pay to Parent, if pursuant to (x) below, simultaneously with the occurrence of such Payment Event or, if pursuant to (y) below, within two business days following such Payment Event, a fee of \$70,000,000 (the "Termination Fee").

"Payment Event" means (x) the termination of this Agreement by the Company or Parent pursuant to Sections 11.01(d) or (e); or (y) the termination of this Agreement pursuant to Sections 11.01(b), (f) or (h) if at the time of such termination (or, in the case of a termination pursuant to Section 11.01(h), at the time of the stockholders meeting), there shall have been outstanding an Acquisition Proposal pursuant to which stockholders of the Company would receive cash, securities or other consideration having an aggregate value in excess of \$26.00 per share of Company Common Stock, and within six months of any such termination described in clause (y) above the Company enters into a definitive agreement for or consummates such Acquisition Proposal or another Acquisition Proposal with a higher per share of Company Common Stock value than such Acquisition Proposal.

(c) Upon the termination of this Agreement pursuant to Sections 11.01(d), (e) or (f) the Company shall reimburse Parent and its affiliates not later than two business days after submission of reasonable documentation thereof for 100% of their documented out-of-pocket fees and expenses (including, without limitation, the reasonable fees and expenses of their counsel and investment banking fees), actually incurred by any of them or on their behalf in connection with this Agreement and the transactions contemplated hereby subject to a maximum reimbursement amount of \$7,500,000.

(d) The Company acknowledges that the agreements contained in this Section 7.04 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, neither Parent nor Merger Co. would enter into this Agreement; accordingly, if the Company fails to promptly pay any amount due pursuant to this Section 7.04, and, in order to obtain such payment, the other party commences a suit which results in a judgment against the Company for the fee or fees and expenses set forth in this Section 7.04, the Company shall also pay to Parent its costs and expenses incurred in connection with such litigation.

(e) This Section 7.04 shall survive any termination of this Agreement, however caused, except a termination pursuant to Sections 11.01(a) or (c).

Section 7.05. Notices Of Certain Events. The Company shall promptly notify Parent of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement;

(c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting the Company or any Subsidiary which, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 5.12 or which relate to the consummation of the transactions contemplated by this Agreement.

Section 7.06. Tax Matters. (a) Without the prior written consent of Parent (such consent not to be unreasonably withheld), neither the Company nor any of its Subsidiaries shall make or change any Tax election, change any annual tax accounting period, adopt or change any method of tax accounting, file any amended Returns or claims for Tax refunds, enter into any closing agreement, surrender any Tax claim, audit or assessment, surrender any right to claim a Tax refund, offset or other reduction in Tax liability surrendered, consent to any extension or waiver of the limitations period applicable to any Tax claim or assessment or take or omit to take any other action, if any such election, action or omission would have the effect of increasing the Tax liability or reducing any Tax asset of the Company or any of its Subsidiaries.

(b) The Company and each of its Subsidiaries will establish or cause to be established in accordance with GAAP on or before the Effective Time an adequate accrual for all Taxes due with respect to any Pre-Closing Tax Period or Straddle Period.

(c) Neither the Company nor any of its Subsidiaries shall take any action that would reasonably be likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code ("368(a) Reorganization") and prior to the Effective Time, the Company and its Subsidiaries shall use their best efforts to cause the Merger to qualify as a 368(a) Reorganization. The Company shall use its reasonable best efforts to obtain the opinions referred to in Section 10.02.

Section 7.07. Affiliates. At least 40 days prior to the Effective Time, the Company shall deliver to Parent a letter identifying all known Persons who may be deemed affiliates of the Company for the purposes of Rule 145 of the Securities Act. The Company shall obtain a written agreement from each Person who may be so deemed as soon as practicable and, in any event, at least 30 days prior to the Effective Time, substantially in the form of Exhibit A hereto.

## **ARTICLE 8**

### **COVENANTS OF PARENT**

Parent agrees that:

Section 8.01. Parent Stockholder Meeting. Parent shall cause a meeting of its stockholders (the "Parent Stockholder Meeting") to be duly called and held as soon as reasonably practicable for the purpose of voting on the issuance of Parent Common Stock in the Merger and pursuant to Parent Options after the Merger. The Board of Directors of the Company shall recommend approval of the issuance of Parent Common Stock in the Merger pursuant to this Agreement and shall not withdraw such recommendation.

Section 8.02. Confidentiality. The Confidentiality Agreement dated December 4, 2000 between the Company and Parent (the "Confidentiality Agreement") shall continue in full force and effect prior to the Effective Time and after any termination of this Agreement.

Section 8.03. Voting Of Shares. Each of Parent and Merger Co. agrees to vote, and to cause any of their subsidiaries to vote, all shares of Company Common Stock beneficially owned by them in favor of adoption of this Agreement at the Company Stockholder Meeting.

Section 8.04. Director And Officer Liability. For six years after the Effective Time, Parent will cause the Surviving Corporation to indemnify and hold harmless the present and former officers and directors of the Company in respect of acts or omissions occurring prior to the Effective Time to the extent provided under the Company's articles of incorporation and bylaws in effect on the date hereof; PROVIDED that such indemnification shall be subject to any limitation imposed from time to time under applicable law. For six years after the Effective Time, Parent will cause the Surviving Corporation to use its best efforts to provide officers' and directors' liability insurance in respect of acts or omissions occurring prior to the Effective Time covering each such Person currently covered by the Company's officers' and directors' liability insurance policy on terms with respect to coverage and amount no less favorable than those of such policy in effect on the date hereof, PROVIDED that if the aggregate annual premiums for such insurance at any time during such period shall exceed 200% of the per annum rate of premium paid by the Company in its last full fiscal year for such insurance, then Parent shall cause the Surviving Corporation to provide only such coverage as shall then be available at an annual premium equal to 200% of such rate.

Section 8.05. Employee Matters. Parent agrees that, subject to applicable law, the Surviving Corporation and its Subsidiaries will provide benefits to its employees which will, in the aggregate, be comparable to those currently provided by Parent and its Subsidiaries to their employees; PROVIDED, however, that this Section 8.05 shall not apply to any employees represented for purposes of collective bargaining. Notwithstanding the foregoing, nothing herein shall otherwise limit the Surviving Corporation's right to amend, modify or terminate any Employee Plan.

Section 8.06. Obligations of Merger Co. Parent will take all action necessary to cause Merger Co. to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement.

Section 8.07. NYSE Listing. Parent shall use its reasonable best efforts to cause the shares of Parent Stock to be issued in connection with the Merger to be listed on the NYSE, subject to official notice of issuance.

Section 8.08. Acquisitions of Shares. Neither Parent nor Merger Co. will acquire any shares of Company Common Stock prior to the Effective Time or the termination of this Agreement, other than shares of Company Common Stock purchased pursuant to the Offer.

Section 8.09. Notices of Certain Events. Parent shall promptly notify the **Company of:**

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement;

(c) any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting Parent or any of its subsidiaries which relate to the consummation of the transactions contemplated by this Agreement.

Section 8.10. Reorganization Matters. Neither Parent nor any of its subsidiaries shall take any action that would reasonably be likely to prevent the Merger from qualifying as a 368(a) Reorganization and prior to the Effective Time, the Parent and its Subsidiaries shall use their reasonable best efforts to cause the Merger to qualify as a 368(a) Reorganization. Parent shall use its reasonable best efforts to obtain the opinions referred to in Section 10.01(f).

Section 8.11. Information Relating to Offer. Parent shall, and shall use its reasonable best efforts to cause any depository or agent effecting the Offer, to provide to the Company promptly as requested from time to time by the Company current information regarding the status of the Offer and the number of shares tendered and not validly withdrawn.

Section 8.12. Conduct of Parent. From the date hereof until the Effective Time, Parent and its subsidiaries shall conduct their business in the ordinary course consistent with past practice and shall use their reasonable best efforts to preserve intact their business organizations and relationships with third parties and to keep available the services of their present officers and employees.

## **ARTICLE 9**

### **COVENANTS OF PARENT AND THE COMPANY**

The parties hereto agree that:

Section 9.01. Company Proxy Statement and Form S-4. The Company shall promptly prepare the Company Proxy Statement and Parent shall promptly prepare and file with the SEC the Registration Statement on Form S-4 containing information required by Regulation S-K under the Exchange Act (the "Form S-4"), in which the Company Proxy Statement will be included. The Company, Parent and Merger Co. shall cooperate with each other in the preparation of the Form S-4 and any amendment or supplement thereto, and each shall notify the other of the receipt of any comments of the SEC with respect to the Form S-4 and of any requests by the SEC for any amendment or supplement thereto or for additional information, and shall provide to the other promptly copies of all correspondence between Parent or the Company, as the case may be, or

any of its Representatives and the SEC with respect to the Form S-4. Parent shall give the Company and its counsel the opportunity to review the Form S-4 and all responses to requests for additional information by and replies to comments of the SEC before their being filed with, or sent to, the SEC. Each of the Company, Parent and Merger Co. agrees to use its best efforts, after consultation with the other parties hereto, to respond promptly to all such comments of and requests by the SEC. Each of the Company, Parent and Merger Co. shall use its reasonable best efforts to cause the Form S-4 to be declared effective by the SEC as promptly as practicable. Parent shall promptly take any action (other than qualifying as a foreign corporation or taking any action which would subject it to service of process in any jurisdiction where Parent is not now so qualified or subject) required to be taken under foreign or state securities or Blue Sky laws in connection with the issuance of Parent Common Stock in the Merger. As promptly as practicable after the Form S-4 shall have become effective, Parent and the Company shall fully cooperate with each other to cause the Proxy Statement/Prospectus contained in the Form S-4 to be mailed to stockholders of the Company and Parent. Parent will advise Company, promptly after it receives notice thereof, of (i) the time when the Form S-4 becomes effective, (ii) the issuance of any stop order with respect to the Form S-4, (iii) the suspension of the qualification of Parent Common Stock for offering or sale in any jurisdiction, or (iv) any request by the SEC for an amendment of the Form S-4 or comments thereon and responses thereto or requests by the SEC for additional information.

Section 9.03. Best Efforts. Subject to the terms and conditions of this Agreement, each party will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. Subject to Section 7.04, each party shall also refrain from taking, directly or indirectly, any action contrary to or inconsistent with the provisions of this Agreement, including action which would interfere with the Offer or impair such party's ability to consummate the Merger and the other transactions contemplated hereby. Without limiting the foregoing, the Company and its Board of Directors shall use their reasonable best efforts to (a) take all action necessary so that no state takeover statute or similar statute or regulation is or becomes applicable to the Offer, the Merger or any of the other transactions contemplated by this Agreement and (b) if any state takeover statute or similar statute or regulation becomes applicable to any of the foregoing, take all action necessary so that the Offer, the Merger and the other transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such statute or regulation on the Offer, the Merger and the other transactions contemplated by this Agreement. Each of Parent and the Company shall use its best efforts to eliminate any impediment under any antitrust, competition or trade regulation laws that may be asserted by any governmental entity with respect to the Offer or the Merger so as to enable the Merger to occur as soon as reasonably practicable.

Section 9.02. Certain Filings. (a) The Company and Parent shall use their respective reasonable best efforts to take or cause to be taken, (i) all actions necessary, proper or advisable by such party with respect to the prompt preparation and filing with the SEC of the Company Disclosure Documents and the Parent Disclosure Documents, and (ii) such actions as may be required to have the Company Proxy Statement cleared and the Form S-4 declared effective by the SEC, in each case as promptly as practicable.

(b) The Company and Parent shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any governmental body, agency or official, or authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with or as a result of the consummation of the transactions contemplated by this Agreement and (ii) in seeking any such actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith or with the Company Disclosure Documents and Parent Disclosure Documents and seeking timely to obtain any such actions, consents, approvals or waivers.

Section 9.04. Public Announcements. Parent and the Company will consult with each other before issuing any press release or making any public statement with respect to this Agreement and the transactions contemplated hereby and, except for any press release or public statement as may be required by applicable law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

Section 9.05. Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of the Company or Parent, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Parent, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

## **ARTICLE 10**

### **CONDITIONS TO THE MERGER**

Section 10.01. Conditions to the Obligations of Each Party. The obligations of the Company, Parent and Merger Co. to consummate the Merger are subject to the satisfaction of the following conditions:

(a) this Agreement shall have been adopted by the stockholders of the Company and the issuance of Parent Common Stock in the Merger shall have been approved by the stockholders of Parent, each in accordance with Delaware Law;

(b) any applicable waiting period under the HSR Act relating to the Offer and the Merger shall have expired or been terminated;

(c) no provision of any applicable law or regulation and no judgment, injunction, order of decree shall prohibit or restrain the consummation of the Merger; PROVIDED, HOWEVER, that the Company and Parent shall each use its reasonable efforts to have any such judgment, order, decree or injunction vacated; and

(d) the Form S-4 shall have been declared effective, no stop order suspending the effectiveness of the Form S-4 shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC;

(e) the shares of Parent Common Stock to be issued in the Merger shall have been approved for listing in the NYSE, subject to official notice of issuance;

(f) Parent shall have received an opinion of Milbank, Tweed, Hadley & McCloy LLP substantially in the form of Exhibit B hereto, on the basis of certain facts, representations and assumptions set forth in such opinion, dated the Effective Time, to the effect that the Merger will be treated for federal income tax purposes as a 368(a) Reorganization and that each of Parent, Merger Subsidiary and the Company will be a party to the reorganization within the meaning of Section 368(b) of the Code. In rendering such opinion, such counsel shall be entitled to rely upon representations of officers of Parent, Merger Co. and the Company substantially in the form of Exhibits C and D hereto.

Section 10.02. Conditions to the Obligation of the Company. The obligation of the Company to consummate the Merger is subject to the satisfaction of the following further conditions:

(a) Merger Co. shall have purchased shares of Company Common Stock pursuant to the Offer;

(b) that the Company shall have received an opinion of Wachtell Lipton Rosen & Katz substantially in the form of Exhibit E hereto, on the basis of certain facts, representations and assumptions set forth in such opinion, dated the Effective Time, to the effect that the Merger will be treated for federal income tax purposes as a 368(a) Reorganization and that each of Parent, Merger Subsidiary and the Company will be a party to the reorganization within the meaning of Section 368(b) of the Code. In rendering such opinion, such counsel shall be entitled to rely upon representations of officers of Parent, Merger Subsidiary and the Company substantially in the form of Exhibits F and G hereto.

## **ARTICLE 11**

### **TERMINATION**

Section 11.01. Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company):

(a) by mutual written consent of the Company and Parent;

(b) by either the Company or Parent, if the Offer has not been consummated by February 28, 2001, provided that the party seeking to exercise such right is not then in breach in any material respect of any of its obligations under this Agreement;

(c) by either the Company or Parent, if there shall be any law or regulation that makes acceptance for payment of, and payment for, the shares of Company Common Stock pursuant to the Offer, or consummation of the Merger illegal or otherwise prohibited or any judgment, injunction, order or decree enjoining Merger Co. from accepting for payment of, and paying for, the shares of Company Common Stock pursuant to the Offer, or Parent, Purchaser or the Company from consummating the Merger is entered and such judgment, injunction, order or decree shall become final and nonappealable;

(d) by Parent, prior to the purchase of the shares of Company Common Stock pursuant to the Offer, if the Board of Directors of the Company shall have withdrawn, or modified or amended in a manner adverse to Parent, its approval or recommendation of this Agreement, the Offer and the Merger or its recommendation that stockholders of the Company tender their shares of Company Common Stock pursuant to the Offer, adopt and approve this Agreement and the Merger or approved, recommended or endorsed any proposal for a transaction other than the transactions hereunder (including a tender or exchange offer for shares of Company Common Stock) or if the Company has failed to call the Company Stockholder Meeting or failed to mail the Company Proxy Statement to its stockholders within 20 days after the Form S-4 is declared effective by the SEC or failed to include in such statement the recommendation referred to above;

(e) by the Company, if (i) the Board of Directors of the Company authorizes the Company, subject to complying with the terms of this Agreement, to enter into a binding written agreement concerning a transaction that constitutes a Superior Proposal and the Company notifies Parent in writing at least three days prior to the proposed effectiveness of such termination that it intends to enter into such an agreement, attaching a description of the material terms and conditions thereof and permits Parent, within such three business day period to submit a new offer, which shall be considered by the Special Committee in good faith (it being understood that the Company shall not enter into any such binding agreement during such three day period) and (ii) the Company prior to such termination pursuant to this clause (e) pays to Parent in immediately available funds the fees required to be paid pursuant to Section 7.04. The Company agrees to notify Parent promptly if its intention to enter into a written agreement referred to in its notification shall change at any time after giving such notification;

(f) by Parent, if prior to the acceptance for payment of the shares of Company Common Stock under the Offer, there has been a breach by the Company of any representation, warranty, covenant or agreement contained in this Agreement that is not curable and such breach would give rise to a failure of the condition set forth in (e) or (f) of Annex I hereof;

(g) by the Company, if prior to the acceptance for payment of the Shares under the Offer there has been a breach by Parent of any representation, warranty, covenant or agreement contained in this Agreement that is not curable and such breach would give rise to a failure of the condition set forth in (e) or (f) of Annex I hereof (which, for purposes of this Section 12.01(g) only shall apply mutatis mutandis to Parent);  
-----

(h) by either the Company or Parent if, at a duly held stockholders meeting of the Company or any adjournment thereof at which this Agreement and the Merger are voted upon, the requisite stockholder adoption and approval shall not have been obtained;

The party desiring to terminate this Agreement pursuant to Sections 11.01(b)-11.01(h) shall give written notice of such termination to the other party in accordance with Section 12.01.

Section 11.02. Effect of Termination. If this Agreement is terminated pursuant to Section 11.01, this Agreement shall become void and of no effect with no liability on the part of any party hereto, except that termination of this Agreement shall be without prejudice to any rights any party may have hereunder against any other party for breach of this Agreement; PROVIDED that, in the event of any such termination, no party shall under any circumstances have any monetary liability to any other party based upon a breach of any representation or warranty contained herein. The agreements contained in Sections 7.04, 8.02, 11.02, 12.04 and 12.06 shall survive the termination hereof.

## ARTICLE 12

### MISCELLANEOUS

Section 12.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including telecopy or similar writing) and shall be given,

**if to Parent or Merger Co., to:**

John Tyson, Chairman of the Board,  
President and Chief Executive Officer  
Tyson Foods, Inc.  
2210 West Oaklawn Drive  
Springdale, Arkansas 72762  
Telecopy: 501-290-4028

with a copy to:

Les Baledge, Esq.  
Tyson Foods, Inc.  
2210 West Oaklawn Drive  
Springdale, Arkansas 72762  
Telecopy: 501-290-7967

and with an additional copy to:

Mel M. Immergut, Esq.

Lawrence Lederman, Esq.  
Milbank, Tweed, Hadley & McCloy LLP  
1 Chase Manhattan Plaza  
New York, New York 10005  
Telecopy: 212-530-5219

**if to the Company, to:**

Robert L. Peterson, Chairman of the Board  
and Chief Executive Officer, and  
JoAnn R. Smith, Chairperson of the Special Committee,  
c/o IBP, inc.  
800 Stevens Port Drive  
Dakota Dunes, South Dakota 57049  
Telecopy: (605) 235-2427

with a copy to:

Sheila B. Hagen, Esq.  
c/o IBP, inc.  
800 Stevens Port Drive  
Dakota Dunes, South Dakota 57049  
Telecopy: (605) 235-2427

and with an additional copy to:

Richard D. Katcher, Esq.  
Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, New York 10019  
Telecopy: 212-403-2222

or such other address or telecopy number as such party may hereafter specify for the purpose by notice to the other parties hereto. Each such notice, request or other communication shall be effective (a) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section and the appropriate telecopy confirmation is received or (b) if given by any other means, when delivered at the address specified in this Section.

Section 12.02. Survival of Representations and Warranties. The representations and warranties and agreements contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time except for the representations, warranties and agreements set forth in Sections 8.04, 8.05, 12.04 and 12.06.

Section 12.03. Amendments; No Waivers. (a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by each party to this Agreement or in the case of a waiver, by the party against whom the waiver is to be effective; PROVIDED that after the adoption of this Agreement by the stockholders of the Company, no such amendment or waiver shall, without the further approval of such stockholders, alter or change (i) the amount or kind of consideration to be received in exchange for any shares of capital stock of the Company or (ii) any of the terms or conditions of this Agreement if such alteration or change would adversely affect the rights of the holders of any shares of capital stock of the Company.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 12.04. Expenses. Except as provided in Section 7.04, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 12.05. Successors and Assigns; Benefit. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, PROVIDED that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto except that Parent and Merger Co. may make such an assignment to one or more of their affiliates. Nothing in this Agreement, expressed or implied, shall confer on any Person other than the parties hereto, and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except that the present and former officers and directors of the Company shall have the rights set forth in Section 8.04 hereof.

Section 12.06. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, except that, insofar as the procedures of the Merger that are subject to Delaware Law because the Parent, Merger Co. and the Company are incorporated in Delaware are concerned, the law of the State of Delaware shall apply.

Section 12.07. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**IBP, INC.**

By:

Name: Robert L. Peterson Title: Chairman & CEO

**TYSON FOODS, INC.**

By:

Name: John Tyson Title: Chairman, President & CEO

**LASSO ACQUISITION CORPORATION**

By:

Name:

Title: President

**ANNEX I**  
**CONDITIONS TO THE OFFER**

The capitalized terms used in this Annex I shall have the meanings ascribed to them in the Agreement and Plan of Merger to which it is attached, except that the term "Merger Agreement" shall be deemed to refer to such Agreement and Plan of Merger.

Notwithstanding any other provision of the Offer, Merger Co. shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to Merger Co. obligation to pay for or return tendered shares of Company Common Stock promptly after termination or withdrawal of the Offer), pay for, and may (subject to any such rule or regulation) delay the acceptance for payment of any tendered shares of Company Common Stock, and may (except as provided in the Merger Agreement) amend or terminate the Offer as to any shares of Company Common Stock not then paid for, if (i) the condition that shares of Company Common Stock representing at least the Minimum Condition shall have been validly tendered and not properly withdrawn prior to the expiration of the Offer shall not have been satisfied, (ii) any applicable waiting period under the HSR Act shall not have expired or terminated prior to the expiration of the Offer or (iii) at any time on or after the date of the Merger Agreement and before the time of payment for any such shares of Company Common Stock (whether or not any shares of Company Common Stock have theretofore been accepted for payment or paid for pursuant to the Offer), any of the following events shall have occurred and remain in effect other than as a result of any action or inaction of Parent or any of its Subsidiaries that constitutes a breach of this Agreement:

(a) there shall have been any law or order promulgated, entered, enforced, enacted, issued or deemed applicable to the Offer or the Merger by any court of competent jurisdiction or other competent governmental or regulatory authority which, directly or indirectly, (1) prohibits, or imposes any material limitations on, Parent's or Merger Co.'s ownership or operation (or that of any of their respective subsidiaries or affiliates) of any portion of their or the Company's businesses or assets which is material to the business of all such entities taken as a whole, or compels Parent or Merger Co. (or their respective subsidiaries or affiliates) to dispose of or hold separate any portion of their or the Company's business or assets which is material to the business of all such entities taken as a whole, (2) prohibits, restrains or makes illegal the acceptance for payment, payment for or purchase of shares of Company Common Stock pursuant to the Offer or the consummation of the Merger, (3) imposes material limitations on the ability of Merger Co. or Parent (or any of their respective subsidiaries or affiliates) effectively to acquire or to hold or to exercise full rights of ownership of the shares of Company Common Stock purchased pursuant to the Offer including, without limitation, the right to vote such shares of Company Common Stock on all matters properly presented to the Company's stockholders, (4) imposes material limitations on the ability of Merger Co. or Parent (or any of their respective subsidiaries or affiliates) effectively to control in any material respect any material portion of the business or assets of the Company and the Subsidiaries taken as a whole, or (5) otherwise materially adversely affects the Company and the Subsidiaries taken as a whole;

(b) there shall be instituted or pending any action, suit or proceeding brought by a governmental or regulatory authority (1) challenging the acquisition by Parent or Merger Co. of shares of Company Common Stock or otherwise seeking to restrain or prohibit the making or consummation of the Offer or the Merger or (2) that could reasonably be expected to result, directly or indirectly, in any of the consequences referred to in clauses (1) through (5) of paragraph (a) above;

(c) there shall have occurred (1) any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market, (2) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (3) a commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States which has a material adverse effect on general economic conditions in the United States, (4) any limitation (whether or not mandatory) by any United States Governmental or Regulatory Authority on the extension of credit by banks or other financial institutions, (5) any decline in either the Dow Jones Industrial Average or the Standard & Poor's 500 Index by an amount in excess of [\_\_%] measured from the close of business on the date of the execution of the Merger Agreement or (6) in the case of any of the foregoing (other than clause (5) existing at the time of the execution of the Merger Agreement, a material acceleration or worsening thereof;

(d) except as disclosed in the Company SEC Reports filed prior to the date of the execution of the Merger Agreement, since such date, there shall have been any change, event or development having, or that could reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Company and the Subsidiaries taken as a whole;

(e) except as affected by actions specifically permitted by this Agreement, the representations and warranties of the Company contained in this Agreement and in any certificate or other writing delivered by the Company pursuant hereto (x) that are qualified by materiality or Material Adverse Effect shall be true at and as of the Effective Time as if made at and as of such time, and (y) that are not qualified by materiality or Material Adverse Effect shall be true in all material respects at and as of the Effective Time as if made at and as of such time (except in respect of representations made as of a specified date which shall be required to be true as of such specified date) and (ii) Parent shall have received a certificate signed on behalf of the Company by the President or any Vice President of the Company to the foregoing effect;

(f) the Company shall not have performed and complied with, in all material respects, each agreement and covenant required by the Merger Agreement to be performed or complied with by it;

(g) the Merger Agreement shall have been terminated in accordance with its terms;

(h) Parent, Merger Co. and the Company shall have agreed that Merger Co. shall amend the Offer to terminate the Offer or postpone the payment for shares of Company Common Stock thereunder; or

(i) any person (which includes a "person" as such term is defined in Section 13(d)(3) of the Exchange Act) other than Merger Co., any of its affiliates, or any group of which any of them is a member shall have acquired beneficial ownership of more than 5% of the outstanding shares of Company Common Stock, or any group shall have been formed which beneficially owns more than 5% of the outstanding shares of Company Common Stock, in each case other than any person or group that has disclosed such ownership prior to the date of this Agreement, and no such person or group shall have increased its beneficial ownership in the Company by more than 1% of the outstanding shares of Company Common Stock.

which in the sole judgment of Parent and Merger Co., in any such case, and regardless of the circumstances makes it inadvisable to proceed with the Offer or with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of Parent and Merger Co., may be asserted by Parent and Merger Co. regardless of the circumstances giving rise to any such condition and, subject to the terms and conditions of the Merger Agreement, may be waived by Parent and Merger Co., in whole or in part at any time and from time to time in the sole discretion of Parent and Merger Co. The failure by Parent and Merger Co. at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

**EXHIBIT A**

[Form of Affiliate's Agreement]

[Date]

Tyson Foods, Inc.  
2210 West Oaklawn Drive  
Springdale, Arkansas 72762

Ladies and Gentlemen:

I have been advised that as of the date hereof I may be deemed to be an "affiliate" of IBP, inc., a Delaware corporation (the "Company"), as that term is defined for purposes of paragraphs (c) and (d) of Rule 145 of the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"). Neither my entering into this agreement, nor anything contained herein,

\_\_\_\_\_ shall be deemed an admission on my part that I am such an "affiliate".

Pursuant to the terms of the Agreement and Plan of Merger dated as of \_\_\_\_\_, 2000 (the "Merger Agreement"), among , Tyson Foods, Inc. a Delaware corporation ("Parent"), [Lasso Acquisition Corporation], a Delaware corporation ("Merger Co."), and the Company providing for the merger of the Company with and into Merger Co. (the "Merger"), and as a result of the Merger, I may receive shares of Parent's Class A Common Stock, par value \$0.10 per share (the "Parent Securities"), in exchange for the shares of common stock, par value \$0.05 per share, of the Company owned by me at the Effective Time (as defined in the Merger Agreement) of the Merger.

I represent and warrant to Parent that in such event:

- A. I shall not make any sale, transfer or other disposition of the Parent Securities in violation of the Act or the Rules and Regulations.
- B. I have carefully read this letter and the Merger Agreement and discussed its requirements and other applicable limitations upon my ability to sell, transfer or otherwise dispose of Parent Securities, to the extent I felt necessary, with my counsel or counsel for the Company.
- C. I have been advised that the issuance of Parent Securities to me pursuant to the Merger has been registered with the Commission under the Act on a Registration Statement on Form S-4. However, I have also been advised that, since at the time the Merger was submitted for a vote of the stockholders of the Company I may have been deemed to have been an affiliate of the Company and a distribution by me of Parent Securities has not been registered under the Act, the Parent Securities must be held by me indefinitely unless (i) a distribution of Parent Securities by me has been registered under the Act, (ii) a sale of Parent Securities by me is made in conformity with the volume and other limitations of Rule 145 promulgated by the Commission under the Act or (iii) in the opinion of counsel reasonably acceptable to Parent, some other

exemption from registration is available with respect to a proposed sale, transfer or other disposition of the Parent Securities by me.

D. I understand that Parent is under no obligation to register the sale, transfer or other disposition of Parent Securities by me or on my behalf or to take any other action necessary in order to make compliance with an exemption from registration available.

E. I also understand that stop transfer instructions will be given to Parent's transfer agents with respect to the Parent Securities and that there will be placed on the certificates for the Parent Securities, or any substitutions therefor, a legend stating in substance.

"The shares represented by this certificate were issued in a transaction to which Rule 145 promulgated under the Securities Act of 1933, as amended, applies."

F. I also understand that unless the transfer by me of my Parent Securities has been registered under the Act or is a sale made in conformity with the provisions of Rule 145, Parent reserves the right to put the following legend on the certificates issued to my transferee:

"The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and were acquired from a person who received such shares in a transaction to which Rule 145 promulgated under such Act applies. The shares have been acquired by the holder not with a view to, or for resale in connection with, any distribution thereof within the meaning of such Act and may not be sold, pledged or otherwise transferred except in accordance with an exemption from the registration requirements of such Act."

It is understood and agreed that the legends set forth in paragraph E and F above shall be removed by delivery of substitute certificates without such legend if the undersigned shall have delivered to Parent a copy of a letter from the staff of the Commission, or an opinion of counsel reasonably acceptable to Parent to the effect that such legend is not required for purposes of the Act.

Very truly yours,

---

Name:

Accepted this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by:

**TYSON FOODS, INC.**

By \_\_\_\_\_

Name:

Title:

**EXHIBIT B**

[MTHM Tax Opinion]

NY1:#3275905v3

**EXHIBIT C**

[Tax Representation Letter]

NY1:#3275905v3

**EXHIBIT D**

[Tax Representation Letter]

NY1:#3275905v3

**EXHIBIT E**

[Wachtell Tax Opinion]

NY1:#3275905v3

**EXHIBIT F**

[Tax Representation Letter]

NY1:#3275905v3

**EXHIBIT G**

[Tax Representation Letter]

NY1:#3275905v3

---

**End of Filing**

Powered By **EDGAR**  
Online

© 2005 | **EDGAR Online, Inc.**