

TYSON FOODS INC

FORM 10-K (Annual Report)

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Address	2200 DON TYSON PARKWAY SPRINGDALE, AR 72762-6999
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 28, 2002

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File No. 0-3400

TYSON FOODS, INC.

(Exact Name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

71-0225165
(I.R.S. Employer Identification No.)

2210 West Oaklawn Drive, Springdale, Arkansas
(Address of principal executive offices)
Registrant's telephone number, including area code:

72762-6999
(Zip Code)
(479) 290-4000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class
Class A Common Stock, Par Value \$0.10

Name of Each Exchange on Which Registered
New York Stock Exchange, Inc.

Securities Registered Pursuant to Section 12(g) of the Act: Not Applicable

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form 10-K or any amendment to this Form 10-K.

On October 31, 2002, the aggregate market value of the Class A Common and Class B Common voting stock held by non-affiliates of the registrant was \$2,663,795,365 and \$418,313, respectively.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

On March 29, 2002, the aggregate market value of the Class A Common and Class B Common voting stock held by non-affiliates of the registrant was \$3,011,755,881 and \$574,554, respectively.

On October 31, 2002, there were outstanding 251,178,675 shares of the registrant's Class A Common Stock, \$0.10 par value, and 101,636,348 shares of its Class B Common Stock, \$0.10 par value.

INCORPORATION BY REFERENCE

The following indicated portions of the registrant's definitive Proxy Statement for the registrant's Annual Meeting of Shareholders to be held February 7, 2003 (the "Proxy Statement") are incorporated by reference into the indicated portions of this Annual Report on Form 10-K:

Part III

Item 10. Directors and Executive Officers of the Registrant

The information set forth under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement.

Item 11. Executive Compensation

The information set forth under the caption "Executive Compensation and Other Information" in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information set forth under the captions "Principal Shareholders" and "Security Ownership of Management" in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions

The information set forth under the caption "Certain Transactions" in the Proxy Statement.

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PART I

ITEM 1. BUSINESS

GENERAL

Tyson Foods, Inc. and its subsidiaries (collectively, the Company or Tyson) produce, distribute and market beef, chicken, pork, prepared foods and related allied products. The Company commenced business in 1935, was incorporated in Arkansas in 1947, and was reincorporated in Delaware in 1986. One of the Company's greatest strengths is its position as the world's number one producer, processor and marketer of chicken. As a result of the acquisition of IBP, inc. (IBP) in the fourth quarter of fiscal 2001, the Company is now the world's largest processor and marketer of beef, chicken and pork products.

Tyson is a totally integrated poultry company. Through its wholly owned subsidiary, Cobb-Vantress, Tyson is the number one breeding stock supplier in the world. Tyson invests in breeding stock research and development. This allows the Company to breed into its flocks the natural characteristics found to be most desirable. The Company's integrated operations consist of breeding and rearing chickens, as well as the processing, further-processing and marketing of these food products and related allied products, including animal and pet food ingredients.

The Company is also involved in the slaughter of live fed cattle and hogs and fabrication of dressed beef and pork carcasses into primal and sub-primal meat cuts, case-ready products and fully-cooked beef and pork products. In addition, the Company derives value from allied products such as hides and variety meats for sales to further processors. The Company also produces and markets a wide range of value-added, frozen and refrigerated food products.

The Company's products are marketed and sold to national and regional grocery chains, regional grocery wholesalers, meat distributors, 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. Sales are made by the Company's sales staffs located in Springdale, Arkansas, and Dakota Dunes, South Dakota, as well as in various regions throughout the United States and in several foreign countries. Additionally, sales to the military and a portion of sales to international markets are made through independent brokers and trading companies.

FINANCIAL INFORMATION OF BUSINESS SEGMENTS

The Company operates in five business segments: Beef, Chicken, Pork, Prepared Foods and Other. The contribution of each business segment to net sales and operating income, and the identifiable assets attributable to each business segment are set forth in Note 17, "Segment Reporting" of the Consolidated Financial Statements included herein at pages 54 through 55.

DESCRIPTION OF BUSINESS SEGMENTS

Beef The Company's beef operations are primarily involved in the slaughter of live fed cattle and fabrication of dressed beef carcasses into primal and sub-primal meat cuts and case-ready products. Throughout production, edible beef and allied products, such as hides and variety meat items, are segregated and prepared for shipment or further refinement. Inedible beef products derived from processing operations are used in the manufacture of pet foods, technical products, pharmaceuticals and cosmetics.

Eight of the Company's 14 fed beef plants include hide treatment facilities. The uncured hides from the Company's other fed beef plants

are transported to these facilities, which include brine curing operations and, in four locations, chrome hide tanneries. The chrome tanning process produces a semi-finished product that is shipped to leather good manufacturers worldwide. Brine-cured hides are sold to other tanneries. Tyson is the largest chrome tanner of cattle hides in the United States.

Chicken Originally, the Company was a producer and distributor of fresh chicken. The Company developed a strategy to reduce the impact of the commodity market of the fresh chicken business through value-enhancement. As the industry leader in value-enhanced chicken products, the Company utilizes national and regional advertising, special promotions and brand identification, and meets the varying demands of its customers through capital expenditures and strategic acquisitions. With further-processed chicken products, grain costs as a percentage of total product costs are reduced because of the value added to the products by cutting, deboning, cooking, packaging and/or freezing the chicken.

The Company's chicken business provides a full range of products from raw to fully-cooked, marinated, breaded, glazed or portioned. In addition to producing products for human consumption, the chicken segment also converts inedible chicken allied products into high-grade pet food and animal feed ingredients.

Pork The Company's pork operations involve the slaughter of live hogs and the fabrication of pork and allied products. The Company's pork facilities produce fresh boxed pork and case-ready products for shipment to customers, as well as pork bellies, hams and boneless picnic meat for shipment to customers who further process the pork into bacon, cooked hams, luncheon meats and sausage items. Throughout production, edible pork and allied products, such as variety meat items, are segregated and prepared for shipment or further refinement. Inedible pork products derived from processing operations are used by further processing to manufacture pet foods, technical products, pharmaceuticals and cosmetics. One pork production facility also has a skinning operation.

Additionally, the Company has 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 that are conducted in Arkansas, Missouri and Oklahoma. In August of 2002, the Company announced its decision to restructure the live swine operation. The restructuring will result in the closure of company-owned and leased feeder pig finishing farms in Arkansas and eastern Oklahoma. The Company will retain a limited number of breeding and nursery operations in Oklahoma and northwest Arkansas as well as some feeder pig finishing operations in north central Missouri. The restructuring is expected to be completed in the Company's second quarter of fiscal 2003.

Prepared Foods The Company's prepared foods operations process fresh beef, fresh pork, and other raw materials into pizza toppings, branded and processed meats, appetizers, hors d'oeuvres, desserts, ethnic foods, soups, sauces, side dishes and pizza crusts and produce flour and corn tortilla products and specialty pasta and meat dishes for restaurants, airlines and other major customers.

Other The Company's other segment primarily includes the logistics group, which includes fresh and frozen distribution systems, the Company's transportation systems and other corporate groups not identified with specific protein groups.

RAW MATERIALS AND SOURCES OF SUPPLY

Beef The primary raw material used by the Company in its beef operations is live cattle. The Company does not have facilities of its own to raise cattle in the United States. However, the Company has entered into various risk-sharing and procurement arrangements with producers that help secure a supply of livestock for daily start-up operations at its facilities. The Company's Canadian subsidiary, Lakeside Farm Industries LTD (Lakeside), primarily has cattle feeding facilities and a beef carcass production and boxed beef processing facility. In 2002, Lakeside's feedlots provided approximately 19% of that facility's fed cattle needs. The Company's primary supply of live cattle is purchased on a daily basis by buyers who are trained to select high quality animals.

Chicken The primary raw materials used by the Company in its chicken operations consist of live chickens that are raised primarily by independent contract growers. The Company's vertically-integrated chicken process begins with the grandparent breeder flocks. Breeder farms specialize in producing the generations of male and female strains, with the broiler being the final progeny. The breeder flocks are raised to maturity in grandparent growing and laying farms where fertile eggs are produced. The fertile eggs are incubated at the grandparent hatchery and produce male and female pullets (i.e., the parents). The pullets are sent to breeder houses, and the resulting eggs are sent to Company hatcheries. Once the chicks have hatched, they are sent to broiler farms. There, contract growers care for and raise the chicks according to Company standards and under the supervision of Company technical service personnel until the broilers have reached the desired processing weight. The adult chickens are caught and hauled to processing plants. The finished products are sent to distribution centers and then transported to customers. Vertically-integrated poultry companies operate their own feed mills to produce scientifically-formulated feeds. Corn and soybean meal are major production costs in the poultry industry, representing roughly 39% of the cost of growing a chicken. In addition to feed ingredients to grow the chickens, the Company uses cooking ingredients, packaging materials and cryogenic agents. The Company believes that its sources of supply for these materials are adequate for its present needs and the Company does not anticipate any difficulty in acquiring these materials in the future. While the Company produces substantially all of its inventory of breeder chickens and live broilers, it may also purchase live, ice-packed or deboned chicken to meet production requirements.

Pork The primary raw material used by the Company in its pork operations is live swine. The Company raises live swine to sell to outside processors and supplies a minimal amount of live swine for its own processing needs. The majority of the Company's live swine supply is obtained through various procurement arrangements with producers that help secure a supply for daily start-up operations at its facilities. The Company also employs buyers who purchase hogs on a daily basis, generally a few days before the animals are required for processing.

Prepared Foods The primary raw materials used by the Company in its prepared foods operations are typically commodity based raw materials, including fresh and frozen beef, chicken and pork, corn, flour and frozen vegetables. Some of these raw materials are provided by the beef, chicken and pork segments and can also be purchased from numerous suppliers and manufacturers.

SEASONAL DEMAND

The demand for the Company's chicken and beef products generally increases during the spring and summer months and generally decreases during the winter months. The Company's pork and prepared foods products generally experience increased demand during the winter months due to the holiday season and decreased demand during the spring and summer months.

CUSTOMERS

No single customer of the Company accounts for more than ten percent of the Company's consolidated revenues. Additionally, no segment is dependent on a single customer or group of customers, the loss of which would have a material adverse effect on that segment. Although any extended discontinuance of sales to any major customer could, if not replaced, have an impact on the Company's operations, the Company does not anticipate any such occurrences due to the demand for its products and its ability to obtain new customers, and its overall market share.

BACKLOG OF ORDERS

There is no significant backlog of unfilled orders for the Company's products.

COMPETITION

The Company's food products compete with those of other national and regional food producers and processors and certain prepared food manufacturers, namely, ConAgra Inc., Hormel Foods Corp., Swift and Company, Cargill Inc., Smithfield Foods Inc., Pilgrims Pride Corp. and Sanderson Farms Inc. Additionally, the Company's food products compete in international markets around the world. The Company's principal marketing and competitive strategy is to identify target markets for value-enhanced products, to concentrate production, sales and marketing efforts in order to appeal to and enhance the demand from those markets and, utilizing its national distribution system and customer support services, to achieve a dominant market position for its products. Past efforts have indicated that customer demand generally can be increased and sustained through application of the Company's marketing strategy, as supported by its distribution system. The principal competitive elements are brand identification, price, product quality, and customer service.

INTERNATIONAL

The Company exported to more than 80 foreign countries in fiscal 2002. Major export markets include Canada, China, European Union, Japan, Mexico, Puerto Rico, Russia, Taiwan and South Korea.

The Company continues to believe that Asia offers potential in terms of developing processing facilities. The Company's joint venture in China to produce further processed poultry products began operations in January 2002. Meanwhile, the Company's subsidiary in Mexico continues to grow rapidly under improving economic conditions. During the fiscal year the Company completed construction of the first fully-cooked line in Mexico as the market for further processed items continues to expand. The Company has entered into a technical service agreement with Grupo Melo in Panama to assist Grupo Melo with the production of further processed chicken products and to allow it to license the Tyson brand. The Company also has two other joint ventures in China, including one that processes pork casings and one that is a pork processing plant. The Company also has an equity interest in a Russian meat processing plant and a cooked meats facility in Ireland.

RESEARCH AND DEVELOPMENT

The Company conducts continuous research and development activities to improve the strains of primary chicken breeding stock and finished product development. Additionally, the Company strives to develop ways to automate manual processes in its processing plants and growout operations. The annual cost of such research and development programs is less than one percent of total consolidated annual sales.

REGULATION AND FOOD SAFETY

The Company's facilities for processing beef, chicken, pork and prepared foods and for housing live chicken and swine are subject to a variety of federal, state and local laws relating to the protection of the environment, including provisions relating to the discharge of materials into the environment, and to the health and safety of its employees. The Company's beef, chicken and pork processing facilities are participants in the government's Hazardous Analysis Critical Control Point (HACCP) program. The cost of compliance with such laws and regulations has not had a material adverse effect upon the Company's capital expenditures, earnings or competitive position and it is not anticipated to have a material adverse effect in the future. In 2002, the Company incurred expenses of approximately \$83 million to maintain compliance with such regulations. These expenditures relate principally to the normal operation and maintenance of wastewater treatment facilities ("Waste Treatment Facilities"), where the Company biologically treats these wastes, and the associated land application of wastes generated at these treatment facilities. Except as disclosed in Item 3, the Company believes that it is in substantial compliance with such applicable laws and regulations and the Company is not aware of any violations of, or pending changes in, such laws and regulations that are likely to result in material penalties or material increases in compliance costs. The Company incurred \$23 million in capital expenditures, primarily related to its Wastewater Treatment Facilities, in fiscal 2002 and anticipates capital expenditures of approximately \$24 million in fiscal 2003 for environmental projects primarily related to the Wastewater Treatment Facilities.

The Company works to ensure its products meet high standards of food quality and safety. The Company's beef, chicken, pork and prepared foods products are subject to inspection prior to distribution, primarily by the United States Department of Agriculture. Notwithstanding these efforts, food producers are at risk that their products may contain pathogens unless the product has been properly produced, handled and cooked.

The Company incurs risk if its products are determined to be contaminated or cause illness or injury. This risk includes (1) cost of, and negative consumer reaction associated with, adverse publicity and product recalls; (2) exposure to related civil litigation; and (3) regulatory administrative penalties, which can include injunctive relief and other civil remedies, including plant closings.

EMPLOYEES AND LABOR RELATIONS

As of October 31, 2002, the Company employed approximately 120,000 persons. The Company believes that its relations with its workforce are good.

Set forth below is a listing of the Company facilities which have employees subject to a collective bargaining agreement together with the name of the union party to the collective bargaining agreement, the number of employees at the facility subject thereto and the expiration date of the collective bargaining agreement currently in effect.

Location	Union	No. of People	Expiration Date
Albertville, AL	UFCW	816	November 2004
Albuquerque, NM	UFCW	278	January 2005
Amarillo, TX	Teamsters	3,154	November 2007
Ashland, AL	RWDSU	388	November 2005
Augusta, ME	UFCW	130	December 2004
Berlin, MD	UFCW	304	December 2004
Berlin, MD	Teamsters	169	December 2004
Berlin, MD	Teamsters	71	July 2004
Buena Vista, GA	RWDSU	777	December 2003

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Buffalo, NY	IUOE	31	June 2006
Carthage, TX	UFCW	514	November 2003
Center, TX	UFCW	1,051	February 2003
Cherokee, IA	UFCW	592	March 2004
Chicago, IL	Truck Drivers	1,040	May 2005
Chicago, IL	UFCW	120	July 2003
Chicago, IL	Teamsters	2	April 2006
Concordia, MO	UFCW	203	June 2005

Corydon, IN	Steelworkers	42	April 2005
Corydon, IN	UFCW	399	January 2005
Dakota City, NE	UFCW	3,817	August 2004
Dakota City, NE	Teamsters	34	April 2005
Dardanelle, AR	UFCW	870	November 2004
Gadsden/Blountsville, AL	Teamsters	12	April 2004
Gadsden, AL	RWDSU	938	November 2004
Glen Allen, VA	UFCW	964	November 2004
Hope, AR	UFCW	1,285	March 2003
Jackson, MS	UFCW	746	December 2002
Jacksonville, FL	Teamsters	536	December 2002
Jefferson, WI	UFCW	459	(1) June 2002
Joslin, IL	Teamsters	16	March 2006
Joslin, IL	UFCW	2,080	March 2006
Logansport, IN	UFCW	1,696	October 2003
Manchester, NH	UFCW	458	December 2004
Manchester, NH	Teamsters	10	December 2003
Noel, MO	UFCW	1,068	December 2002
Norfolk, NE	UFCW	1,280	September 2005
North Richland Hills, TX	UFCW	303	August 2004
Pasco, WA	Teamsters	1,632	May 2004
Perry, IA	UFCW	942	April 2003
Pine Bluff, AR	UFCW	244	(1) October 2002
Ponca City, OK	UFCW	572	March 2004
Robards, KY	UFCW	1,101	November 2003
Shelbyville, TN	RWDSU	1,083	November 2007
Shelbyville, TN	Teamsters	29	August 2004
Waterloo, IA	UFCW	2,220	December 2006
Wilkesboro, NC	Teamsters	29	November 2004
Wilkesboro, NC	Teamsters	59	November 2004
Wilkesboro, NC	Teamsters	79	November 2004
Gomez Palacio, Durango	CTM	3,540	February 2003
Gomez Palacio, Durango	CTM	45	April 2003
Monterrey, Neuvo Leon	FNCSI	52	June 2003
Torreon, Coahuila	CROM	54	February 2003
Parras de la Fuente, Coahuila	CROM	113	February 2003
Mexico, Distrito Federal	CROC	48	March 2003

IUOE - International Union of Electrical Workers
CTM - Confederacion de Trabajadores de Mexico
FNCSI - Sindicato Industrial de Trabajadores de Nuevo Leon
CROM - Confederacion Reginal Obrera de Mexico
CROC - Confederacion Reginal de Obreros y Campesinos
(1) Contracts are currently under negotiations

The Company has not experienced any strike or work stoppage that has had a material impact on operations.

MARKETING AND DISTRIBUTION

The Company's principal marketing objective is to be the primary provider of beef, chicken, pork and prepared foods products for our customers. The Company identifies distinct markets and business opportunities through extensive consumer and market research. In fiscal 2002, the Company's national branding strategy focused on the Tyson (chicken) and Thomas E. Wilson (red meat) brands, as well as a number of regional brands. In the fourth quarter of fiscal 2002 the Company made the decision to capitalize on the strong recognition of the Tyson brand by expanding the Tyson brand to beef and pork. Thus, the Tyson brand will replace the Thomas E. Wilson brand in a process that is expected to be completed over the next six months. All communications stress the quality and value proposition of the products while supporting and building brand awareness. Communications efforts utilize a fully integrated and coordinated mix of activities designed to connect with customers and consumers on both a rational and emotional level. The Company utilizes its national distribution system and customer support services to achieve a dominant market position for its products.

The Company has the ability to produce and ship fresh, frozen and refrigerated products. The Company's nationwide distribution system utilizes a network of food distributors which is supported by cold storage warehouses owned or leased by the Company, by public cold storage facilities and by the Company's transportation system. The Company ships products from Company-owned consolidated frozen food distribution centers, from a network of public cold storages, from other owned and leased facilities and directly from plants. The Company's distribution centers facilitate accumulating frozen products so that it can fill and consolidate less-than-truckload orders into full truckloads, thereby decreasing shipping costs while increasing customer service. In addition, customers are provided with a selection of products that do not require large volume orders. The Company's distribution system enables it to supply large or small quantities of products to meet customer requirements anywhere in the continental United States.

PATENTS AND TRADEMARKS

The Company has registered a number of trademarks relating to its products which either have been approved or are in the process of application. Because the Company does a significant amount of brand name and product line advertising to promote its products, it considers the protection of such trademarks to be important to its marketing efforts. The Company has also developed non-public proprietary information regarding its production processes and other product-related matters. The Company utilizes internal procedures and safeguards to protect the confidentiality of such information, and where appropriate, seeks patent protection for the technology it utilizes.

INDUSTRY PRACTICES

The Company's agreements with its customers are generally short-term, verbal agreements due primarily to the nature of its products, industry practice and the fluctuation in demand and price for such products. In certain instances where the Company is selling further processed products to large customers, the Company may enter into written agreements whereby the Company will act as the exclusive or preferred supplier to the customer for periods ranging from 2 to 5 years and on pricing terms which may be either be fixed or variable.

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report and other written reports and oral statements made from time to time by the Company and its representatives contain forward-looking statements, including forward-looking statements made in this report, with respect to their current views and estimates of future economic circumstances, industry conditions, company performance and financial results. These forward-looking statements are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in such forward-looking statements. The Company wishes to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. Tyson undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Among the factors that may affect the operating results of the Company are the following: (i) fluctuations in the cost and availability of raw materials, such as live cattle, live swine or feed grain costs; (ii) changes in the availability and relative costs of labor and contract growers; (iii) operating efficiencies of facilities; (iv) market conditions for finished products, including the supply and pricing of alternative proteins; (v) effectiveness of advertising and marketing programs; (vi) the ability of the Company to make effective acquisitions and successfully integrate newly acquired businesses into existing operations; (vii) risks associated with leverage, including cost increases due to rising interest rates;

(viii) risks associated with effectively evaluating derivatives and hedging activities; (ix) changes in regulations and laws (both domestic and foreign), including changes in accounting standards, environmental laws and occupational, health and safety laws; (x) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (xi) adverse results from ongoing litigation; (xii) access to foreign markets together with foreign economic conditions, including currency fluctuations; and (xiii) the effect of, or changes in, general economic conditions.

ITEM 2. PROPERTIES

The Company currently has sales offices and production and distribution operations in the following states: Alabama, Arkansas, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington and Wisconsin. Additionally, the Company, either directly or through its subsidiaries, has facilities in or participates in joint venture operations in Argentina, Brazil, Canada, China, Denmark, India, Indonesia, Ireland, Japan, Mexico, Panama, the Philippines, Russia, Spain, the United Kingdom and Venezuela.

Beef The Company's beef operations consist of 14 beef production facilities and a Canadian cattle feeding operation. These facilities slaughter live cattle, fabricate beef products and treat and tan hides. In addition, one of the beef facilities contains a tallow refinery and two facilities share operations with the pork segment. The carcass facilities reduce live cattle to dressed carcass form. Fed beef consists primarily of steers and heifers specifically raised for beef consumption. The processing facilities conduct fabricating operations to produce boxed beef and allied products. The processing facilities operated in 2002 at approximately 82% of their production capacities. The total slaughter capacity is approximately 240,000 head per week.

Chicken The Company's chicken operations consist of 61 processing plants. These plants are devoted to various phases of slaughtering, dressing, cutting, packaging, deboning or further-processing. The total slaughter capacity is approximately 49 million head per week. In addition, the Company owns 13 rendering plants with the capacity to produce 28 million pounds of animal protein products per week and 18 ground pet food processing operations in connection with chicken processing plants capable of producing 8 million pounds of product per week. In addition, there are two blending mill operations, 40 feed mills and 74 broiler hatcheries with sufficient capacity to meet the needs of the chicken growout operations. During 2002, the feed mills operated at 74% of capacity and the hatcheries operated at 88% of capacity. In general, the remaining processing plants are fully utilized.

Pork The Company's pork operations consist of eight pork production facilities that slaughter live hogs, fabricate pork products and allied products. Two of these facilities are shared with the beef segment. The processing facilities operated in 2002 at approximately 86% of their production capacities. The total slaughter capacity of these facilities is approximately 420,000 head per week. Upon completion of the restructuring of the live swine operations the Company expects to have 71 swine farrowing and nursery units and 21 swine finishing units. This process is expected to be completed in the second quarter of fiscal 2003. The Company also purchases live swine from contract growers. The swine growout operations are supported by one dedicated feed mill supplemented by the production from the chicken operations' feed mills.

Prepared Foods The Company's prepared foods operations consist of 34 processing plants which process fresh beef, pork, chicken and other raw materials into pizza toppings, branded and processed meats, appetizers, hors d'oeuvres, desserts, ethnic foods, soups, sauces, side dishes and pizza crusts, flour and corn tortilla products and specialty pasta and meat dishes. These processing plants have the capacity to produce approximately 58 million pounds per week and operated in 2002 at approximately 79% of capacity.

Other The Company's other operations consist of three warehouses and 11 freezers used by the beef and pork divisions, 44 cold storage facilities at chicken processing plants, three cold storage facilities at chicken rendering plants, five cold storage facilities used by prepared foods plants, three distribution centers used by the chicken division and five distribution centers used by the prepared foods division with a total capacity of approximately 300 million pounds.

The Company owns its major operating facilities with the following exceptions: one chicken primary processing plant is leased until 2003, one chicken emulsified plant is leased month to month, one chicken distribution center is leased until 2003, one feedmill and two hatcheries are leased until 2003, one hatchery is leased month to month, 422 chicken breeder farm houses are leased under agreements expiring at various dates through 2005 and 31 chicken breeder farm houses are leased month to month, 30 broiler farms are leased year to year. Upon completion of the restructuring of the live swine operations the Company expects to have 16 units leased, with the majority expiring in 2003, one prepared foods distribution center is leased month to month, two prepared foods further processing facilities are leased until 2004 and 2005, and one prepared foods appetizer manufacturing facility is leased until 2013.

Management believes that the Company's present facilities are generally adequate and suitable for its current purposes. However, seasonal fluctuations in inventories and production may occur as a reaction to market demands for certain products. The Company regularly engages in construction and other capital improvement projects intended to expand capacity and improve the efficiency of its processing and support facilities.

ITEM 3. LEGAL PROCEEDINGS

Wage and Hour/ Labor Matters In 2000, the Wage and Hour Division of the U.S. Department of Labor (DOL) conducted an industry-wide investigation of poultry producers, including the Company, to ascertain compliance with various wage and hour issues. As part of this investigation, the DOL inspected 14 of the Company's processing facilities. On May 9, 2002, the Secretary of Labor filed a civil complaint against the Company in the U.S. District Court for the Northern District of Alabama. The complaint alleges that the Company violated the overtime provisions of the federal Fair Labor Standards Act at the Company's chicken-processing facility in Blountsville, Alabama. The complaint does not contain a definite statement of what acts constituted alleged violations of the statute. The Secretary seeks back wages for all employees at the Blountsville facility for a period of two years prior to the date of the filing of the Complaint, an additional amount in liquidated damages, and an injunction against future violations at that facility and all other facilities operated by the Company. The Company has filed its initial answer and discovery has commenced. The Company believes it has substantial defenses to the claims made in this case and intends to vigorously defend the case. However, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On June 22, 1999, 11 current and former employees of the Company filed the case of *M.H. Fox, et al. v. Tyson Foods, Inc. (Fox v. Tyson)* in the U.S. District Court for the Northern District of Alabama claiming the Company violated requirements of the Fair Labor Standards Act. The suit alleges the Company failed to pay employees for all hours worked and/or improperly paid them for overtime hours. The suit specifically alleges that (1) employees should be paid for time taken to put on and take off certain working supplies at the beginning and end of their shifts and breaks and (2) the use of "mastercard" or "line" time fails to pay employees for all time actually worked. Plaintiffs seek to represent themselves and all similarly situated current and former employees of the Company. At filing 159 current and/or former employees consented to join the lawsuit and, to date, approximately 5,000 consents have been filed with the court. Discovery in this case is ongoing. A hearing was held on March 6, 2000, to consider the plaintiff's request for collective action certification and court-supervised notice. No decision has been rendered. The Company believes it has substantial defenses to the claims made and intends to vigorously defend the case; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

Substantially similar suits have been filed against several other integrated poultry companies. In addition, organizing activity conducted by representatives or affiliates of the United Food and Commercial Workers Union against the poultry industry has encouraged worker participation in *Fox v. Tyson* and the other lawsuits.

On August 22, 2000, seven employees of the Company filed the case of *De Asencio v. Tyson Foods, Inc.* in the U.S. District Court for the Eastern District of Pennsylvania. This lawsuit is similar to *Fox v. Tyson* in that the employees claim violations of the Fair Labor Standards Act for allegedly failing to pay for time taken to put on, take off and sanitize certain working supplies, and violations of the Pennsylvania Wage Payment and Collection Law. Plaintiffs seek to represent themselves and all similarly situated current and former employees of the poultry processing plants in New Holland, Pennsylvania. Currently, there are approximately 500 additional current or former employees who have filed consents to join the lawsuit. The court, on January 30, 2001, ordered that notice of the lawsuit be issued to all potential plaintiffs at the New Holland facilities. On July 17, 2002, the court granted the plaintiffs' motion to certify the state law claims. The Company believes it has substantial defenses to the claims made and intends to defend the case vigorously; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On November 5, 2001, a lawsuit entitled *Maria Chavez, et al. vs. IBP, Lasso Acquisition Corporation and Tyson Foods, Inc.* was filed in the U.S. District Court for the Eastern District of Washington against IBP and Tyson by several employees of IBP's Pasco, Washington, beef slaughter and processing facility alleging various violations of the Fair Labor Standards Act, 29 U.S.C. Sections 201 -

219 (FLSA), as well as violations of the Washington State Minimum Wage Act, RCW chapter 49.46, Industrial Welfare Act, RCW chapter 49.12, and the Wage Deductions-Contribution-Rebates Act, RCW chapter 49.52. The lawsuit alleges IBP and/or Tyson required employees to perform unpaid work related to the donning and doffing of certain personal protective clothing, both prior to and after their shifts, as well as during meal periods. Plaintiffs further allege that similar prior litigation entitled *Alvarez, et al. vs. IBP*, which resulted in a \$3.1 million final judgment against IBP, supports a claim of collateral estoppel and/or is res judicata as to the issues raised in this new litigation. IBP filed a timely Notice of Appeal and will vigorously pursue reversal of the Alvarez judgment before the Ninth Circuit Court of Appeals. Chavez initially was pursued as an opt-in, collective action under 29 U.S.C. 216(b), but on May 24, 2002, plaintiffs filed a motion seeking certification of a class of opt-out, state law plaintiffs under Federal Rule of Civil Procedure 23. On October 28, 2002, the U.S. District Court for the Eastern District of Washington granted plaintiffs' motion (Rule 23 Order), asserting supplemental jurisdiction over the state law wage and hour claims, and certifying the class. On November 6, 2002, IBP and Tyson timely filed a motion with the Ninth Circuit Court of Appeals seeking leave to appeal the District Court's Rule 23 Order.

Environmental Matters On January 15, 1997, the Illinois EPA brought suit in the Circuit Court for the 14th Judicial Circuit, Rock Island, Illinois, Chancery Division against IBP alleging that IBP's operations at its Joslin, Illinois, facility are violating the "odor nuisance" regulations enacted in the State of Illinois. IBP has already completed additional improvements at its Joslin facility to further reduce odors from this operation, but denies Illinois EPA's contention that its operations at any time amounted to a "nuisance." IBP is attempting to discuss these issues with the State of Illinois in an effort to reach a settlement.

The Company has been advised by the U.S. Attorney's office for the Western District of Missouri that the government intends to seek indictment of the Company for alleged violations of the Clean Water Act related to activities at its Sedalia, Missouri facility. The Company is presently in negotiations for a possible resolution of this matter. Although the amount of ultimate liability with respect to this matter cannot be determined at this time, the Company does not expect any material adverse effect on its consolidated financial position or results or operations.

On October 23, 2001, a putative class action lawsuit was filed in the District Court for Mayes County, Oklahoma, against the Company by R. Lynn Thompson and Deborah S. Thompson on behalf of all owners of Grand Lake O' the Cherokee's littoral (lake front) property. The suit alleges that the Company "or entities over which it has operational control" conduct operations in such a way as to interfere with the putative class action plaintiffs' use and enjoyment of their property, allegedly caused by diminished water quality in the lake. The Company believes the complaint allegations are unfounded and intends to vigorously defend the case.

On December 10, 2001, the City of Tulsa, Oklahoma and the Tulsa Metropolitan Utility Authority filed in the U.S. District Court for the Northern District of Oklahoma the case styled the *The City of Tulsa and the Tulsa Municipal Utility Authority v. Tyson Foods, Inc., et al.* against the Company, Cobb-Vantress, Inc., a wholly owned subsidiary of the Company, four other fully integrated poultry companies and the City of Decatur, Arkansas. With respect to the Company and Cobb-Vantress, Inc., the suit alleges that degradation of the Tulsa water supply is attributable, in whole or in part, to the non-point source run-off from the land application of poultry litter in the watershed feeding the lakes that act as the City of Tulsa's water supply, and that the Company and Cobb-Vantress, Inc. are, together with the other defendants named in the lawsuit, jointly and severally responsible for the alleged over application of poultry litter in the watershed. The Company believes that the allegations in the complaint are unfounded and intends to vigorously defend the case.

Securities Matters Between January and March 2001, a number of lawsuits were filed by certain stockholders in the U.S. District Court for the District of South Dakota and one suit filed in the U.S. District Court for the Southern District of New York seeking to certify a class of all persons who purchased IBP stock between February 7, 2000 and January 25, 2001. The plaintiff in the New York action has voluntarily dismissed and refiled its complaint in South Dakota, where the suits have been consolidated under the name *In re IBP, inc. Securities Litigation*. The complaints, seeking unspecified damages, allege that IBP and certain members of management violated Sections 10(b) and 20 (a) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and claims IBP issued materially false statements about IBP's financial results in order to inflate its stock price. IBP filed a Motion to Dismiss on December 21, 2001, which is now fully briefed and pending before the Court. IBP intends to vigorously contest these claims.

On or about June 6, 2001, IBP was advised the SEC had commenced a formal investigation related to the restatement of earnings made by IBP in March 2001, including matters relating to certain improprieties in the financial statements of DFG, a wholly-owned subsidiary.

The Company has been informed that three former employees of DFG received a so-called "Wells" notice advising them that the SEC had determined to recommend the initiation of an enforcement action and providing them an opportunity to provide their arguments against such an enforcement action. IBP is cooperating with this investigation.

IBP Stockholder and Merger Agreement Related Litigation Between October 2 and November 1, 2000, 14 class actions were filed in the Delaware Court of Chancery (the Delaware Court) against IBP, inc. and the members of the IBP Board of Directors. On November 13, 2000, these actions were consolidated as *In re IBP, inc. Shareholders Litigation*, C.A. No. 18373 (the Consolidated Action).

On March 29, 2001, the Company filed an action in the Chancery Court of Washington County, Arkansas, entitled *Tyson Foods, Inc., et al. v. IBP, inc.*, Case No. E 2001-749-4, alleging that the Company had been inappropriately induced to enter into a Merger Agreement with IBP dated January 1, 2001 (the Merger Agreement), and that IBP was in breach of various representations and warranties made in the Merger Agreement.

On March 30, 2001, IBP filed an answer to the amended consolidated complaint and a cross-claim (amended on April 2, 2001) against the Company in the Consolidated Action. As amended, IBP's cross-claim sought a declaration that the Company could not rescind or terminate the Merger Agreement, specific enforcement of the Merger Agreement and damages for breach of a Confidentiality Agreement.

Following expedited discovery, the Delaware Court conducted a nine day trial, beginning on May 14, 2001, on IBP's and the plaintiffs' claims for specific performance with respect to the terminated cash tender offer and the Merger Agreement and the Company's counterclaims. On June 15, 2001, following expedited post-trial briefing, the Delaware Court issued a memorandum opinion, which was issued in revised form on June

18, 2001 (the Post-Trial Opinion), in which the Delaware Court concluded, among other things, that (1) the Merger Agreement is a valid and enforceable contract that was not induced by any material misrepresentation or omission, (2) the Company did not breach the Merger Agreement or any duty to IBP's stockholders by failing to close the terminated cash tender offer, (3) the Company did not have a basis to terminate the Merger Agreement under its terms, and (4) specific performance of the Merger Agreement was the only method by which to adequately redress the harm threatened to IBP and its stockholders.

After negotiations and in accordance with the Post-Trial Opinion, the Company and IBP presented an Order, Judgment and Decree to the Delaware Court, entered on June 27, 2001, requiring the Company and its affiliates to specifically perform the Merger Agreement as modified by, and subject to the conditions contained in, a Stipulation between the Company and IBP, including making a cash tender offer for 50.1% of IBP's shares and effecting the merger with IBP.

On August 3, 2001, the Delaware Court entered an order approving the settlement of the Consolidated Action and extinguished all claims that were or could have been asserted by the IBP stockholders in the Consolidated Action in exchange for, among other things, the acceleration of the closing of a new Cash Tender Offer to August 3, 2001.

On January 7, 2002, the Company filed a motion in the Delaware Court asking that court to vacate its Post-Trial Opinion on grounds of mootness or, in the alternative, to enter final judgment so that an appeal could be taken. The Delaware Court denied this motion on February 11, 2002, and the Company has appealed that decision, as well as the Post-Trial Opinion and certain earlier rulings by the Delaware Court, to the Delaware Supreme Court. Certain of the plaintiffs in the Delaware Federal Actions discussed below have filed a motion to dismiss the Company's appeal as untimely as to all matters except the Delaware Court's denial of the motion to vacate the Post-Trial Opinion. On July 24, 2002, the Delaware Supreme Court granted that partial motion to dismiss and directed that the balance of the appeal to go forward. Oral argument on the balance of the appeal has been scheduled for December 12, 2002.

On June 19, 2001, a purported Company stockholder commenced a derivative action in the Delaware Court entitled *Alan Shapiro v. Barbara R. Allen, et al.*, C.A. No. 18967-NC seeking monetary damages on behalf of the Company, a nominal defendant, from the members of the Company's Board of Directors. The complaint alleges the directors violated their fiduciary duties by attempting to terminate the Merger Agreement. On July 17, 2001, the defendants moved to dismiss the complaint. On August 16, 2002, the plaintiff filed an Amended Complaint, and on September 3, 2002, the defendants renewed their motion to dismiss. A hearing on the defendants' motion to dismiss has been scheduled for December 17, 2002. The defendants intend to vigorously defend these claims.

Between June 22 and July 20, 2001, various plaintiffs commenced actions (the Delaware Federal Actions) against the Company, Don Tyson, John Tyson and Les Baledge in the U.S. District Court for the District of Delaware, seeking monetary damages on behalf of a purported class of those who sold IBP stock or traded in certain IBP options from March 29, 2001, when the Company announced its intention to terminate the Merger Agreement with IBP, and June 15, 2001, when the Delaware Court rendered its Post-Trial Opinion in the Consolidated Action. The actions, entitled *Meyer v. Tyson Foods, Inc., et al.*, C.A. No. 01-425 SLR; *Banyan Equity Mgt. v. Tyson Foods, Inc., et al.*, C.A. No. 01-426 GMS; *Steiner v. Tyson Foods, Inc., et al.*, C.A. No. 01-462 GMS; *Aetos Corp., et al. v. Tyson, et al.*, C.A. No. 01-463 GMS; *Meyers, et al. v. Tyson Foods, Inc., et al.*, C.A. No. 01-480; *Binsky v. Tyson Foods, Inc., et al.*, C.A. No. 01-495; *Management Risk Trading LP v. Tyson Foods, Inc., et al.*, C.A. No. 01-496; and *Stark Investments, L.P., et al. v. Tyson et al.*, C.A. No. 01-565 allege that the defendants violated federal securities laws by making, or causing to be made, false and misleading statements in connection with the Company's attempted termination of the Merger Agreement. The various actions were subsequently consolidated under the caption *In re Tyson Foods, Inc. Securities Litigation*. On December 4, 2001, the plaintiffs in the consolidated action filed a Consolidated Class Action Complaint. The plaintiffs allege that, as a result of the defendants' alleged conduct, the purported class members were harmed. On January 22, 2002, the defendants filed a motion to dismiss the consolidated complaint. By memorandum order dated October 23, 2002, the court granted in part and denied in part the defendants' motion to dismiss. The defendants intend to vigorously defend the remaining claims.

In December 2001, a stockholder derivative lawsuit was filed in the Court of Chancery of the state of Delaware against the Company's Board of Directors and nominally, the Company. The complaint concerns the alleged violations of immigration laws that are the subject of the indictment by the U.S. Department of Justice (see below). In general, the complaint alleges that the members of the Company's Board failed to exercise reasonable control and supervision over the Company's employees and processes, implement adequate internal controls, adequately inform themselves, or take adequate and good faith remedial actions with respect to the Company's immigration practices and matters giving rise to the indictment. The complaint seeks unspecified damages against the individual Board members; no relief is sought against the Company. The Company and members of its Board have filed a motion to dismiss in the Chancery Court of Delaware and intend to vigorously defend these claims.

General Matters On or around February 15, 2002, the Company learned that a processing facility owned by Zemco Industries, Inc., a subsidiary of IBP, is the subject of an investigation by the U.S. Attorney's office in Bangor, Maine, into allegedly improper testing and recording practices. The Company acquired Zemco as part of the Company's acquisition of IBP on September 28, 2001. Zemco has responded to grand jury subpoenas and is cooperating fully with the U.S. Attorney's office. Neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this matter can be determined at this time.

In December 2001, the Company, two current employees and four former employees were indicted in the U. S. District Court in the Eastern District of Tennessee. The indictment alleges these six employees conspired to violate and did violate immigration laws involving approximately 15 named individuals at one of the Company's poultry processing facilities. The indictment also alleges that the Company utilized the services of temporary employment agencies in furtherance of the alleged conspiracy. The indictment seeks fines and forfeiture of amounts not specified. Trial for this matter is expected in February 2003. The Company intends to vigorously defend this indictment and believes it has meritorious defenses to the government's theories of recovery; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

Consistent with the forfeiture theory advanced in the indictment referred to above, private plaintiffs filed the following three lawsuits.

On April 10, 2002, plaintiffs filed *Trollinger, et al. vs. Tyson Foods, Inc.*, No. 4:02-cv-23 (E.D. Tenn.) in the U.S. District Court for the Eastern District of Tennessee (Winchester Division), a purported class-action lawsuit against Tyson, on behalf of all current and former employees of 15 named Tyson facilities who had been legally authorized to work in the United States. The complaint in that action asserts a claim against Tyson under the Racketeer Influence and Corrupt Organizations (RICO) statute. The complaint alleges that Tyson engaged in a scheme to depress its employees' wages by hiring illegal aliens and seeks unspecified trebled-damages. The Company has moved to dismiss the complaint. On July 17, 2002, the court granted the Company's Motion to Dismiss the case for failure to state a claim upon which relief could be granted. Plaintiffs have filed a Notice of Appeal. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

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On March 6, 2002, plaintiffs filed *Baker, et al. vs. IBP, inc.*, C.A. No. 02-4019 (C.D. Ill) in the U.S. District Court for the Central District of Illinois (Rock Island Division), a purported class-action lawsuit, on behalf of all current and former employees of IBP's Joslin, Illinois, facility who had been legally authorized to work in the United States. The complaint asserts a claim against IBP under the RICO statute. The complaint alleges that IBP engaged in a scheme to depress its employees' wages by hiring illegal aliens and seeks unspecified trebled-damages. The Company has moved to dismiss the complaint. On October 21, 2002, the court granted the Company's Motion to Dismiss the case for failure to state a claim upon which relief could be granted. Plaintiffs have filed a Notice of Appeal. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On April 17, 2002, plaintiff Cynthia Cruz filed *Cruz vs. Tyson Foods, Inc.*, C.A. No. 02 C 2761 (N.D. Ill.), a purported class-action lawsuit against Tyson and others on behalf of all persons with Hispanic surnames whose identities and social security numbers were allegedly "stolen" and misused by the named defendants. The complaint asserts a claim under the RICO statute, a claim for violation of the federal civil rights statute, and common-law claims for defamation, violation of privacy and property rights, fraud, and tortious interference with contract. As of this date, the Company has moved to dismiss this action, with briefing to be completed during December 2002. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

In July 1996, a lawsuit was filed against IBP by certain cattle producers in the U.S. District Court, Middle District of Alabama, seeking certification of a class of all cattle producers. The complaint alleges that IBP has used its market power and alleged "captive supply" agreements to reduce the prices paid to producers for cattle. Plaintiffs have disclosed that, in addition to declaratory relief, they seek actual and punitive damages. The original motion for class certification was denied by the Court; plaintiffs then amended their motion, defining a narrower class consisting of only those cattle producers who sold cattle directly to IBP from 1994 through the date of certification. The Court approved this narrower class in April 1999. The 11th Circuit Court of Appeals reversed the District Court decision to certify a class on the basis that there were inherent conflicts amongst class members preventing the named plaintiffs from providing adequate representation to the class. The plaintiffs then filed pleadings seeking to certify an amended class. The Court denied the plaintiffs' motion on October 17, 2000. Plaintiffs' motion for reconsideration of the judge's decision was denied, and plaintiffs then asked the Court to certify a class of cattle producers who have sold exclusively to IBP on a cash market basis, which the Court granted in December 2001. In January 2002, IBP filed a petition with the 11th Circuit Court of Appeals seeking permission to appeal the class certification decision, which the Circuit Court of Appeals denied on March 5, 2002. The District Court has set a schedule for completing the format of the class notice mailing. No trial date has been set. IBP has filed motions for summary judgment on both liability and damages filed with the District Court, which are now pending. Plaintiffs have claimed damages in the case in excess of \$500,000,000. Management believes IBP has acted properly and lawfully in its dealings with cattle producers and intends to vigorously defend this case. However, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On August 8, 2000, the Company was served with a complaint filed in the U.S. District Court for the District of Arizona styled *Lemelson Medical, Education & Research Foundation, Limited Partnership v. Alcon Laboratories, et al.*, CIV00-0661 PHX PGR. The plaintiff sued the Company, along with approximately 100 other defendants in the food, beverage, drug, cosmetic and tobacco industries, claiming that the defendants infringed various patents held by the Foundation. The alleged patent infringement is based on the defendants' alleged use of the Foundation's automatic identification patents that relate to the use of bar coding and/or the Foundation's patents that relate to machine vision. The Foundation seeks treble damages for the defendants' alleged infringement. The case is currently stayed pending the resolution of related

litigation. Neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On September 12, 2002, 82 individual plaintiffs filed *Michael Archer, et al. v. Tyson Foods, Inc. and The Pork Group, Inc.*, CIV 2002-497, in the Circuit Court of Pope County, Arkansas. On August 18, 2002, the Company announced a restructuring of its live swine operations which, among other things, will result in the discontinuance of relationships with 132 contract hog producers, including the

plaintiffs. In their complaint, the plaintiffs allege that the Company committed fraud and should be promissory estopped from terminating the parties' relationship. The plaintiffs seek compensatory and punitive damages in an unspecified amount. The Company has filed a motion to Stay All Proceedings and Compel Arbitration. The plaintiffs have responded to the Motion to Compel. Discovery has not begun. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

The Company is pursuing various antitrust claims relating to vitamins, methionine and choline. In the third quarter of 2002 the Company received approximately \$30 million in partial settlement of these claims. The Company has received, or expects to receive under signed settlement arrangements, further settlements of approximately \$26 million in the first quarter of 2003. Additional settlements are anticipated. Amounts received for these claims are recorded as income only upon receipt of settlement proceeds.

Other Matters The Company is subject to other lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of its business. While the ultimate results of these matters cannot be determined, they are not expected to have a material adverse effect on the Company's consolidated results of operations or financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE COMPANY

Officers of the Company serve one year terms from the date of their election, or until their successors are appointed and qualified. The name, title, age and year of initial election to executive office of the Company's executive officers are listed below:

Name	Title	Age	Year Elected
John Tyson	Chairman of the Board of Directors and Chief Executive Officer	49	1984
Richard L. Bond	Co-Chief Operating Officer and Group President, Fresh Meats and Retail	54	2001
Greg Lee	Co-Chief Operating Officer and Group President, Food Service and International	55	1993
Les Baledge	Executive Vice President and General Counsel	45	1999
Steven Hankins	Executive Vice President and Chief Financial Officer	44	1997
Eugene D. Leman	Senior Group Vice President, Fresh Meats	60	2001
Dennis Leatherby	Senior Vice President, Finance and Treasurer	42	1990
Rodney S. Pless	Senior Vice President, Controller and Chief Accounting Officer	41	2000

No family relationships exist among the above officers. Mr. John Tyson was appointed Chairman of the Board of Directors and Chief Executive Officer in 2001 after serving as Chairman of the Board of Directors, President and Chief Executive Officer since 2000, Chairman of the Board of Directors since 1998, Vice Chairman of the Board of Directors since 1997 and President, Beef and Pork Division since 1993. Mr. Bond was appointed Co-Chief Operating Officer and Group President, Fresh Meats and Retail in 2001 after serving as President and Chief Operating Officer of IBP from March 1997 until the merger of IBP into a wholly owned subsidiary of the Company

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on September 28, 2001, and as President, IBP Fresh Meats from 1995 to 1997. Mr. Lee was appointed Co-Chief Operating Officer and Group President, Food Service and International in 2001 after serving as Chief Operating Officer since 1999, as President of the Foodservice Group since 1998 and Executive Vice President, Sales, Marketing and Technical Services since 1995. Mr. Baledge was appointed Executive Vice President and General Counsel in 2000 after serving as 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. Mr. Hankins was appointed Executive Vice President and Chief Financial Officer in 1998 after serving as Senior Vice President, Financial Planning and Shared Services since 1997 and Vice President, Management Information Systems since 1993. Mr. Leman was appointed Senior Group Vice President, Fresh Meats in 2001 after serving as IBP's President of Fresh Meats since 1997 until the merger of IBP into a wholly owned subsidiary of the Company on September 28, 2001, and as President of IBP's Allied Group since 1995. Mr. Leatherby was appointed Senior Vice President, Finance and Treasurer in 1998 after serving as Vice President and Treasurer since 1997 and Treasurer since 1994. Mr. Pless was elected Senior Vice President, Controller and Chief Accounting Officer in 2001 after serving as Vice President, Controller and Chief Accounting Officer since 2000. Prior to joining Tyson, Mr. Pless was Vice President, Controller and Chief Accounting Officer for TransMontaigne.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company currently has issued and outstanding two classes of capital stock, Class A Common Stock (Class A stock) and Class B Common Stock (Class B stock). Holders of Class B stock may convert such stock into Class A stock on a share-for-share basis. Holders of Class B stock are entitled to 10 votes per share while holders of Class A stock are entitled to one vote per share on matters submitted to shareholders for approval. On October 31, 2002, there were approximately 41,000 holders of record of the Company's Class A stock and 17 holders of record of the Company's Class B stock, excluding holders in the security position listings held by nominees.

DIVIDENDS

Cash dividends cannot be paid to holders of Class B stock unless they are simultaneously paid to holders of Class A stock. The per share amount of the cash dividend paid to holders of Class B stock cannot exceed 90% of the cash dividend simultaneously paid to holders of Class A stock. The Company has paid uninterrupted quarterly dividends on its common stock each year since 1977. The annual dividend rate for Class A stock is \$0.16 per share and the annual dividend rate for Class B stock is \$0.144 per share.

MARKET INFORMATION

The Class A stock is traded on the New York Stock Exchange under the symbol "TSN." No public trading market currently exists for the Class B stock. The high and low sales prices of the Company's Class A stock for each quarter of fiscal 2002 and 2001 are represented in the table below.

	<u>Fiscal Year 2002</u>		<u>Fiscal Year 2001</u>	
	High	Low	High	Low
First Quarter	12.13	8.75	14.19	9.62

Second Quarter	13.05	11.28	13.80	10.70
Third Quarter	15.56	12.20	13.90	8.69
Fourth Quarter	15.18	10.06	10.71	8.35

ITEM 6. SELECTED FINANCIAL DATA
ELEVEN-YEAR FINANCIAL SUMMARY

in millions, except per share and ratio data

	2002	2001	2000	1999	1998	1997
Summary of Operations						
Sales	\$23,367	\$10,563	\$7,268	\$7,621	\$7,414	\$6,356
Cost of sales	21,550	9,660	6,453	6,470	6,260	5,318
Gross profit	1,817	903	815	1,151	1,154	1,038
Operating income	887	316	349	487	204	400
Interest expense	305	144	116	124	139	110
Provision for income taxes	210	58	83	129	46	144
Net income (loss)	\$383	\$88	\$151	\$230	\$25	\$186
Year end shares outstanding	353	349	225	229	231	213
Diluted average shares outstanding	355	222	226	231	228	218
Diluted earnings (loss) per share	\$1.08	\$0.40	\$0.67	\$1.00	\$0.11	\$0.85
Basic earnings (loss) per share	1.10	0.40	0.67	1.00	0.11	0.86
Dividends per share:						
Class A	0.160	0.160	0.160	0.115	0.100	0.095
Class B	0.144	0.144	0.144	0.104	0.090	0.086
Depreciation and amortization	\$467	\$335	\$294	\$291	\$276	\$230
Balance Sheet Data						
Capital expenditures	\$433	\$261	\$196	\$363	\$310	\$291
Total assets	10,372	10,632	4,841	5,083	5,242	4,411
Net property, plant and equipment	4,038	4,085	2,141	2,185	2,257	1,925
Total debt	3,987	4,776	1,542	1,804	2,129	1,690
Shareholders' equity	\$3,662	\$3,354	\$2,175	\$2,128	\$1,970	\$1,621
Other Key Financial Measures						
Return on sales	1.6%	0.8%	2.0%	3.0%	0.3%	2.9%
Annual sales growth (decline)	121.2%	45.3%	(4.6)%	2.8%	16.7%	(1.5)%
Gross margin	7.8%	8.5%	11.2%	15.1%	15.6%	16.3%
Return on beginning shareholders' equity	11.4%	4.0%	7.1%	11.7%	1.5%	12.1%
Effective tax rate	35.5%	35.4%	35.6%	34.9%	64.7%	43.6%
Total debt to capitalization	52.1%	58.7%	41.5%	45.9%	51.9%	51.0%
Book value per share	\$10.37	\$9.61	\$9.67	\$9.31	\$8.53	\$7.60
Closing stock price high	15.56	14.19	18.00	25.38	24.44	23.63

Closing stock price low	\$8.75	\$8.35	\$8.56	\$15.00	\$16.50	\$17.75
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ELEVEN-YEAR FINANCIAL SUMMARY

in millions, except per share and ratio data

	1996	1995	1994	1993	1992
Summary of Operations					
Sales	\$6,454	\$5,511	\$5,110	\$4,707	\$4,169
Cost of sales	5,506	4,423	4,149	3,797	3,390
Gross profit	948	1,088	961	911	779
Operating income	269	472	195	376	332
Interest expense	133	115	86	73	77
Provision for income taxes	49	131	121	129	101
Net income (loss)	\$87	\$219	\$(2)	\$180	\$161
Year end shares outstanding	217	217	218	221	206
Diluted average shares outstanding	218	218	222	223	208
Diluted earnings (loss) per share	\$0.40	\$1.01	\$(0.01)	\$0.81	\$0.77
Basic earnings (loss) per share	0.40	1.01	(0.01)	0.82	0.78
Dividends per share:					
Class A	0.080	0.053	0.047	0.027	0.027
Class B	0.072	0.044	0.039	0.022	0.022
Depreciation and amortization	\$239	\$205	\$188	\$177	\$149
Balance Sheet Data					
Capital expenditures	\$214	\$347	\$232	\$225	\$108
Total assets	4,544	4,444	3,668	3,254	2,618
Net property, plant and equipment	1,869	2,014	1,610	1,435	1,142
Total debt	1,975	1,985	1,455	1,024	826
Shareholders' equity	\$1,542	\$1,468	\$1,289	\$1,361	\$980
Other Key Financial Measures					
Return on sales	1.4%	4.0%	0.0%	3.8%	3.9%
Annual sales growth (decline)	17.1%	7.9%	8.6%	12.9%	6.3%
Gross margin	14.7%	19.7%	18.8%	19.4%	18.7%
Return on beginning shareholders' equity	5.9%	17.0%	(0.2)%	18.4%	19.5%
Effective tax rate	37.0%	38.1%	101.8%	41.8%	38.5%
		57.5%			
Total debt to capitalization	56.2%		53.0%	42.9%	45.7%
Book value per share	\$7.09	\$6.76	\$5.92	\$6.16	\$4.75
Closing stock price high	18.58	18.17	16.67	18.08	15.08
Closing stock price low	\$13.83	\$13.83	\$12.50	\$12.83	\$10.17

Notes to Eleven-Year Financial Summary

1. The results for 2002 include a \$27 million pretax charge related to the identifiable intangible asset write-down of the Thomas E. Wilson brand, \$26 million pretax charge for live swine restructuring charge, \$22 million pretax gain related to the sale of Specialty Brands and \$30 million pretax gain related to a vitamin antitrust litigation partial settlement.
2. Certain costs for 2001 and 2000 have been reclassified as the result of the application of EITF 00-14 and EITF 00-25. See Note 1 to the Consolidated Financial Statements.
3. The results for 2001 include \$26 million in pretax charges for expenses related to the IBP acquisition, loss on sale of swine assets, and product recall losses.
4. The results for 2000 include a \$24 million pretax charge for bad debt writeoff related to the January 2000 bankruptcy filing of AmeriServe Food Distribution, Inc. and a \$9 million pretax charge related to Tyson de Mexico losses.
5. The results for 1999 include a \$77 million pretax charge for loss on sale of assets and impairment write-downs.
6. Significant business combinations accounted for as purchases: IBP, inc., Hudson Foods, Inc. and Arctic Alaska Fisheries Corporation in August 2001 and September 2001, January 1998 and October 1992, respectively. See Note 2 to the Consolidated Financial Statements for acquisitions during the three-year period ended September 28, 2002.
7. The results for 1998 include a \$215 million pretax charge for asset impairment and other charges.
8. The results for 1997 include a \$41 million pretax gain (\$4 million after tax) from the sale of the beef division assets.
9. The results for 1994 include a \$214 million pretax charge (\$205 million after tax) due to the write-down of certain long-lived assets of Arctic Alaska Fisheries Corporation.

ITEM 7. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Earnings for fiscal 2002 were \$383 million or \$1.08 per diluted share compared to \$88 million or \$0.40 per diluted share in fiscal 2001. Fiscal 2002 earnings were positively affected by the addition of IBP, inc.'s (IBP) beef, pork and prepared foods operations, improved performance of the chicken segment, a continued growth in value-added businesses, and reduced operating costs. Additionally, the Company recognized a gain from the sale of its Specialty Brands subsidiary and received a partial settlement related to ongoing antitrust vitamin litigation. Earnings were adversely affected by charges related to the discontinuation of the Thomas E. Wilson brand, from the restructuring of the Company's live swine operation, an increase in interest expense and decreases in the international markets which were influenced by import restrictions and political pressures.

On August 3, 2001, the Company acquired 50.1% ownership of IBP and acquired the remaining 49.9% on September 28, 2001. Accordingly, fiscal 2002 earnings include 52 weeks of IBP's results of operations, while fiscal 2001 fourth quarter and 12 months results include 50.1% of IBP's results for the nine weeks ended September 29, 2001. This information should be considered when comparing to previous years' results of operations.

The Company's accounting cycle resulted in a 52-week year for fiscal years 2002, 2001 and 2000.

In accordance with the provisions issued in Financial Accounting Standards Board No. 142, "Goodwill and Other Intangible Assets," goodwill and indefinite lived assets are no longer amortized. The effect on current year results was an increase of approximately 20 cents per diluted share.

In accordance with the guidance provided in Emerging Issues Task Force (EITF) Issue No. 00-14, "Accounting for Certain Sales Incentives," and EITF Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products," beginning in the first quarter of fiscal 2002, the Company classifies the costs associated with sales incentives provided to retailers and payments such as slotting fees and cooperative advertising to vendors as a reduction in sales. These costs were previously included in selling, general and administrative expense. These reclassifications resulted in a reduction to sales and selling, general and administrative expense of

approximately \$188 million and \$142 million for fiscal years 2001 and 2000, respectively, and had no impact on reported income before income taxes and minority interest, net income, or earnings per share amounts.

2002 vs. 2001

Certain reclassifications have been made to prior periods to conform to current presentations.

Sales increased 121.2%, with a 98.9% increase in volume and an 11.2% increase in price. The increase in sales volume and price is primarily due to the inclusion of IBP's sales in fiscal 2002. Despite lower commodity prices, sales prices increased due to product mix changes as the Company continues to grow its value-added businesses.

Cost of sales increased 123.1%, primarily due to the inclusion of IBP's cost of sales in fiscal 2002. As a percent of sales, cost of sales was 92.2% for 2002 compared to 91.5% for 2001.

Operating expenses increased 58.4%, primarily due to the inclusion of IBP's operations in fiscal 2002. Also included in operating expenses are \$53 million in charges related to the discontinuation of the Thomas E. Wilson brand and the restructuring of the Company's live swine operation. As a percent of sales, operating expenses were 4.0% for 2002 compared to 5.6% in 2001. In its effort to integrate, restructure and reorganize, the Company improved efficiencies and lowered plant operating costs. These costs were also reduced through other cost-containment efforts and improved sales expense management.

Interest expense increased 111.8% compared to 2001. As a percent of sales, interest expense was 1.3% compared to 1.4% for 2001. The Company's average indebtedness increased by 109.7% over the same period last year due to debt incurred to purchase IBP. The Company's short-term interest rates decreased to 3.3% in fiscal 2002 as compared to 5.1% in fiscal 2001. The net average effective interest rate on total debt was 7.0% for 2002 compared to 6.9% for 2001.

Other income increased in the current year due to a gain of \$22 million from the sale of the Specialty Brands, Inc. subsidiary.

The effective tax rate was 35.5% in 2002 compared to 35.4% in 2001. The Company adopted SFAS No. 142, Goodwill and Other Intangible Assets (FAS 142), at the beginning of 2002. Under FAS 142 the Company no longer amortized goodwill which resulted in a decrease in the effective tax rate for 2002, offset primarily by a reduction in the foreign sales benefit.

Segment Information

Tyson Foods operates in five business segments: Beef, Chicken, Pork, Prepared Foods and Other. The Company measures segment profit as operating income. For the periods ending September 28, 2002, and September 29, 2001, the following information includes 100% of IBP results for 52 weeks and nine weeks, respectively. Information on segments is as follows.

Beef segment is primarily involved in the slaughter of live fed cattle and fabrication of dressed beef carcasses into primal and sub-primal meat cuts and case-ready products. It also involves deriving value from allied products such as hides and variety meats for sale to further processors and others. The Beef segment markets its products to food retailers, distributors, wholesalers, restaurants and hotel chains and other food processors in domestic and international markets. Allied products are also marketed to manufacturers of pharmaceuticals and technical products.

Chicken segment includes fresh, frozen and value-added chicken products sold through domestic food service, domestic retail markets for at-home consumption, wholesale club markets targeted to small foodservice operations, small businesses and individuals, as well as specialty and commodity distributors who deliver to restaurants, schools and international markets throughout the world. The Chicken segment also includes sales from allied products and the chicken breeding stock subsidiary.

Pork segment represents the Company's live swine group, hog slaughter and fabrication operations, case-ready products and related allied product processing activities. The Pork segment markets its products to food retailers, distributors, wholesalers, restaurants and hotel chains and other food processors in domestic and international markets. It also sells allied products to pharmaceutical and technical products manufacturers, as well as live swine to pork processors and producers.

Prepared Foods segment includes the Company's operations that manufacture and market frozen and refrigerated food products. Products include pepperoni, beef and pork toppings, pizza crusts, flour and corn tortilla products, appetizers, hors d'oeuvres, desserts, prepared meals, ethnic foods, soups, sauces, side dishes, specialty pasta and meat dishes as well as branded and processed meats.

Other segment includes the logistics group and other corporate groups not identified with specific protein groups.

Sales by Segment

in millions

	2002	2001	Change
Beef	\$ 10,488	\$ 2,027	\$ 8,461
Chicken	7,222	7,057	165
Pork	2,503	619	1,884
Prepared Foods	3,072	818	2,254
Other	82	42	40
Total	\$ 23,367	\$ 10,563	\$ 12,804

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Operating Income (Loss) by Segment

in millions

	2002	2001	Change
Beef	\$ 220	\$ 32	\$ 188
Chicken	428	250	178
Pork	25	27	(2)
Prepared Foods	158	15	143
Other	56	(8)	64
Total	\$ 887	\$ 316	\$ 571

Beef segment sales were \$10.5 billion, including beef case-ready sales of \$689 million and international beef sales of \$1.4 billion. Beef segment operating income totaled \$220 million. The beef segment resulted from the acquisition of IBP in the fourth quarter of fiscal 2001.

Chicken segment sales increased \$165 million or 2.3% from the same period last year, with a 1.1% increase in average sale prices and a 1.2% increase in volume. Foodservice chicken sales increased 4.9%, retail chicken sales increased 2.0% and international chicken sales decreased 6.3%. In fiscal 2002, the Company's Mexican subsidiary sales increased 36.1% from the same period last year due to the acquisition of a production facility in Mexico in the third quarter of 2001. This increase was more than offset by decreases in other international sales demand as markets continue to be impacted by import restrictions and political pressures primarily in Russia and China. Operating income for Chicken increased \$178 million from the same period last year primarily due to decreases in live and production costs along with improvements in price and growth in value added product mix. Additionally, prior year costs were negatively impacted by weather related effects and higher grain and energy costs.

Pork segment sales including IBP's pork processing revenues were \$2.5 billion compared to \$619 million for the same period last year, including current year pork case-ready sales of \$212 million and international pork sales of \$248 million. Pork segment operating income decreased \$2 million from the same period last year. Sales and operating income were positively affected by the inclusion of the IBP pork processing results in fiscal 2002. However both were impacted by the negative results of the live swine operation. Operating income was also affected by the restructuring charge related to the Company's live swine operation of approximately \$26 million in the fourth quarter of fiscal 2002.

Prepared Foods segment sales increased \$2.3 billion from the same period last year. The prepared foods segment operating income increased \$143 million from the same period last year. The increase in both sales and operating income is primarily due to the inclusion of IBP results. Operating income was also influenced by lower and more stable raw material prices and improvement in product mix. These increases were partially offset by the Thomas E. Wilson write-down adjustment of \$27 million related to the discontinuation of the brand.

Other segment operating income increased \$64 million primarily due to the partial settlement of approximately \$30 million received in the

third quarter of fiscal 2002 related to ongoing vitamin antitrust litigation combined with prior year IBP merger related expenses of \$19 million.

ACQUISITIONS

In August 2001, the Company acquired 50.1% of IBP by paying approximately \$1.7 billion in cash. In September 2001, the Company issued approximately 129 million shares of Class A stock, with a fair value of approximately \$1.2 billion, to acquire the remaining IBP shares, and assumed approximately \$1.7 billion of IBP debt. The total acquisition cost of approximately \$4.6 billion was accounted for as a purchase in accordance with Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations." Accordingly, the tangible and identifiable intangible assets and liabilities have been adjusted to fair values with the remainder of the purchase price recorded as goodwill. The allocation of the purchase price has been completed.

In May 2002, the Company acquired the assets of Millard Processing Services, a bacon processing operation, for approximately \$73 million in cash. The acquisition has been accounted for as a purchase and goodwill of approximately \$14 million has been recorded.

DISPOSITION

In September 2002, the Company completed the sale of its Specialty Brands, Inc. subsidiary. The subsidiary had been acquired with the IBP acquisition and its results of operations were included in the Company's prepared foods segment. The Company received cash proceeds of approximately \$131 million which were used to reduce indebtedness and recognized a pretax gain of \$22 million. Specialty Brand, Inc.'s sales and operating income for the year ended September 28, 2002, were \$244 million and \$2 million respectively.

2001 vs. 2000

Certain reclassifications have been made to prior periods to conform to current presentations.

Sales increased 45.3%, with a 29.8% increase in volume and a 12.0% increase in price. The increase in sales is primarily due to the inclusion of nine weeks of IBP's sales in 2001. Comparable sales increased 3.4% on a volume increase of 1.1%. Breast meat commodity market prices were pressured by an oversupply of chicken for much of the fiscal year causing an adverse effect on the average sales prices and margins of many of the Company's core value-added products. During the fourth quarter of 2001, the Company experienced improved pricing of value-added products and seasonal price increases.

Cost of sales increased 49.7%, primarily due to the added cost of sales for nine weeks of IBP's operations. As a percent of sales, cost of sales was 91.5% for 2001 compared to 88.8% for 2000. Excluding IBP, comparable cost of sales as a percent of sales was 90.0%. The increase in comparable cost of sales, as a percent of sales, was primarily due to weather-related effects combined with higher grain and energy costs, lower market prices and product mix changes.

Operating expenses increased 26.0%, primarily due to the inclusion of nine weeks of IBP's operations in 2001. As a percent of sales, operating expenses were 5.6% for 2001 compared to 6.4% in 2000. Excluding IBP, comparable operating expenses as a percent of sales were 8.1% for 2001. The increase is primarily due to an increase in sales promotional expenses and litigation costs related to the acquisition of IBP and ongoing employee practice matters. Included in the 2000 operating expenses was \$24 million in bad debt reserve resulting from the bankruptcy filing by AmeriServe Food Distribution, Inc. (AmeriServe).

Interest expense increased 24.1% compared to 2000. As a percent of sales, interest expense was 1.4% compared to 1.6% for 2000. The Company's average indebtedness increased by 24.3% over the 2000 amount as a result of the IBP acquisition. The Company's short-term interest rates were slightly lower than the same period last year, and the net average effective interest rate on total debt was 6.9% for 2001 and 2000.

The effective tax rate was 35.4% in 2001 compared to 35.6% in 2000.

Segment Information

The following information includes nine weeks results for the period ending September 29, 2001, related to the IBP acquisition, stated prior to adjustments for minority interest.

Sales by Segment

in millions

2001

2000

Change

Beef	\$ 2,027	\$ -	\$ 2,027
Chicken	7,057	6,767	290
Pork	619	157	462
Prepared Foods	818	292	526
Other	42	52	(10)
Total	\$ 10,563	\$ 7,268	\$ 3,295

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Operating Income (Loss) by Segment

in millions

	2001	2000	Change
Beef	\$ 32	\$ -	\$ 32
Chicken	250	316	(66)
Pork	27	23	4
Prepared Foods	15	7	8
Other	(8)	3	(11)
Total	\$ 316	\$ 349	\$ (33)

Beef segment sales, which include only the nine weeks of IBP results, were \$2 billion, including case-ready sales of \$116 million. Beef segment operating income totaled \$32 million. Beef sales and operating income are derived solely from the operations acquired from IBP, and as such have no comparative data since the Company did not have a beef group prior to the IBP acquisition.

Chicken segment sales increased \$290 million or 4.3% compared to 2000, with a 3.2% increase in average sales prices and a 1.0% increase in volume. Foodservice channel sales increased 1.0%, retail channel sales increased 1.2% and international channel sales including Tyson de Mexico increased 26.9%. Operating income for chicken decreased \$66 million or 20.9% from 2000 primarily due to increased production costs and sales promotional expenses which more than offset increases in bulk leg quarter prices and certain other products.

Pork segment sales were \$619 million compared to \$157 million last year, with current year case-ready sales of \$43 million. Pork segment operating profit increased \$4 million from the same period last year. The increase in both pork segment sales and operating income is primarily due to the inclusion of nine weeks results for IBP.

Prepared Foods segment sales totaled \$818 million compared to \$292 million last year. The prepared foods segment operating income increased \$8 million from the same period last year. The increase in both the prepared foods segment sales and segment operating income is primarily due to the inclusion of nine weeks results related to IBP.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operations continues to be the Company's primary source of funds to finance operating requirements and capital expenditures. In 2002, net cash of \$1,174 million was provided by operating activities, an increase of \$663 million from 2001. The primary sources of the change are increases in net income of \$295 million, depreciation and amortization of \$132 million, and working capital of \$165 million. The Company's foreseeable cash needs for operations and capital expenditures are expected to continue to be met through cash flows provided by operating activities. Additionally at September 28, 2002, the Company had borrowing capacity of \$1.5 billion consisting of \$806 million available under its \$1 billion unsecured revolving credit agreements and \$675 million under its \$750 million accounts receivable securitization. At September 28, 2002, the Company had construction projects in progress that will require approximately \$137 million to complete.

Cash Provided by Operating Activities

in millions

	2002	2001	2000
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Total debt at September 28, 2002, was \$3,987 million, a decrease of approximately \$789 million from September 29, 2001. The Company has unsecured revolving credit agreements totaling \$1 billion that support the Company's commercial paper program. These \$1 billion in facilities consist of \$200 million that expires in June 2003, \$300 million that expires in June 2005 and \$500 million that expires in September 2006. At September 28, 2002, there were no borrowings outstanding under these facilities. Additional outstanding debt at September 28, 2002, consisted of \$3.6 billion of debt securities, \$75 million issued under accounts receivable securitization debt, \$24 million of commercial paper and other indebtedness of \$281 million.

<i>Total Capitalization</i>	in millions		
	2002	2001	2000
Debt	\$ 3,987	\$ 4,776	\$ 1,542
Equity	3,662	3,354	2,175

The revolving credit agreement, senior notes, notes and accounts receivable securitization debt contain various covenants, the more restrictive of which contain a maximum allowed leverage ratio and a minimum required interest coverage ratio. The Company is in compliance with these covenants at fiscal year end.

In October 2001, the Company refinanced \$2.3 billion outstanding under a bridge financing facility through the issuance of \$2.25 billion of notes offered in three tranches consisting of \$500 million of 6.625% notes due October 2004, \$750 million of 7.25% notes due October 2006 and \$1 billion of 8.25% notes due October 2011.

In October 2001, the Company entered into a receivables purchase agreement with three co-purchasers to sell up to \$750 million of trade receivables. The receivables purchase agreement has been accounted for as a borrowing and has an interest rate based on commercial paper issued by the co-purchasers. Under this agreement, substantially all of the Company's accounts receivable are sold to a special purpose entity, Tyson Receivables Corporation (TRC), which is a wholly owned consolidated subsidiary of the Company. TRC has its own separate creditors that are entitled to be satisfied out of all of the assets of TRC prior to any value becoming available to TRC's equity holders.

RECENTLY ISSUED ACCOUNTING STANDARDS

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). Under SFAS 142, goodwill and indefinite lived intangible assets are no longer amortized but are reviewed annually or more frequently if impairment indicators arise, for impairment. Separable intangible assets that have finite lives will continue to be amortized over their useful lives. The Company elected to early adopt the provisions of SFAS 142 and discontinued the amortization of its goodwill balances and intangible assets with indefinite useful lives effective September 30, 2001. The Company assessed its goodwill for impairment upon adoption, and completed its required annual test for impairment in the fourth quarter of fiscal 2002. Neither impairment test indicated any impairment losses. Had the provisions of SFAS 142 been in effect during fiscal years 2001 and 2000, a reduction in amortization expense and an increase to net income of \$30 million or \$0.14 per diluted share and \$29 million or \$0.13 per diluted share respectively, would have been recorded.

In accordance with the guidance provided in Emerging Issues Task Force (EITF) Issue No. 00-14, "Accounting for Certain Sales Incentives," and EITF Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products," beginning in the first quarter of fiscal 2002, the Company classifies the costs associated with sales incentives provided to retailers and payments such as slotting fees and cooperative advertising to vendors as a reduction in sales. These costs were previously included in selling, general and administrative expense. These reclassifications resulted in a reduction to sales and selling, general and administrative expense of approximately \$188 million and \$142 million for fiscal years 2001 and 2000, respectively, and had no impact on reported income before income taxes and minority interest, net income, or earnings per share amounts.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires the Company to recognize the fair value of a liability associated with the cost the Company would be obligated to incur in order to retire an asset at some point in the future. The liability would be recognized in the period in which it is incurred and can be reasonably estimated. The standard is effective for fiscal years beginning after June 15, 2002. The Company expects to adopt this standard at the beginning of its fiscal 2003. The Company believes the adoption of SFAS No. 143 will not have a material impact on its financial position or results of operations.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 develops an accounting model, based upon the framework established in SFAS No. 121, for long-lived assets to be disposed by sales. The accounting model applies to all long-lived assets, including discontinued operations, and it replaces the provisions of ABP Opinion No. 30, "Reporting Results of Operations-Reporting the Effects of Disposal of a Segment of a Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for disposal of segments of a business. SFAS No. 144 requires

long-lived assets held for disposal to be measured at the lower of carrying amount or fair values less costs to sell, whether reported in continuing operations or in discontinued operations. The statement is effective for fiscal years beginning after December 15, 2001. The Company intends to adopt this standard at the beginning of its fiscal 2003. The Company believes the adoption of SFAS No. 144 will not have a material impact on its financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and replaces EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. SFAS No. 146 also establishes that fair value is the objective for initial measurement of the liability. The statement is effective for exit or disposal activities initiated after December 31, 2002. The Company believes the adoption of SFAS No. 146 will not have a material impact on its financial position or results of operations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of certain accounting estimates considered critical by the Company.

Financial instruments The Company uses derivative financial instruments to manage its exposure to various market risks, including certain livestock, interest rates and grain and feed costs. The Company may hold positions as economic hedges for which hedge accounting is not applied. See Item 7A. Quantitative and Qualitative Disclosure About Market Risks.

Contingent liabilities The Company is subject to lawsuits, investigations and other claims related to wage and hour/labor, cattle procurement, securities, environmental, product and other matters, and is required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies are made after considerable analysis of each individual issue. These reserves may change in the future due to changes in the Company's assumptions, the effectiveness of strategies, or other factors beyond the Company's control. See Note 20 to the Consolidated Financial Statements.

Accrued self insurance Insurance expense for casualty claims and employee-related health care benefits are estimated using historical experience and actuarial estimates. The assumptions used to arrive at periodic expenses are reviewed regularly by management. However, actual expenses could differ from these estimates and could result in adjustments to be recognized. See Note 1 to the Consolidated Financial Statements.

Impairment of long-lived assets The Company is required to assess potential impairments to its long-lived assets, which is primarily property, plant and equipment. If impairment indicators are present, the Company must measure the fair value of the assets in accordance with SFAS 121 to determine if adjustments are to be recorded. See Note 1 to the Consolidated Financial Statements.

Goodwill and Intangible Asset Impairment In assessing the recoverability of the Company's goodwill and other intangible assets, management must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates and related assumptions change in the future, the Company may be required to record impairment charges not previously recorded. On September 30, 2001, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," and was required to assess its goodwill for impairment issues upon adoption, and then at least annually thereafter. See Note 1 to the Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

MARKET RISK

Market risks relating to the Company's operations result primarily from changes in commodity prices, interest rates and foreign exchange rates as well as credit risk concentrations. To address certain of these risks, the Company enters into various derivative transactions as described below. If a derivative instrument is a hedge, depending on the nature of the hedge, changes in the fair value of the instrument will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings, or recognized in other comprehensive income (loss) until the hedged item is recognized in earnings. The ineffective portion of an instrument's change in fair value will be immediately recognized in earnings. Instruments that do not meet the criteria for hedge accounting are marked to fair value with unrealized gains or losses reported currently in earnings. Additionally, the Company held certain positions, primarily in grain and livestock futures and options, for which it does not apply hedge accounting, but instead marks these positions to fair value through earnings at each reporting date.

In fiscal 2002, the Company changed its market risk disclosure type from a tabular presentation to a sensitivity analysis presentation. Due to the acquisition of IBP, the Company's commodity market risk became more diverse. As a result of a more complex risk profile, the Company believes a sensitivity analysis provides a clearer understanding of the risks associated with the Company's positions. The sensitivity analyses presented below are the measures of potential losses of fair value resulting from hypothetical changes in market prices related to commodities and hypothetical changes in exchange rates related to interest rates. Sensitivity analyses do not consider the actions management may take to mitigate the Company's exposure to changes, nor do they consider the effects that such hypothetical adverse changes may have on overall economic activity. Actual changes in market prices may differ from hypothetical changes.

Commodities Risk The Company is a purchaser of certain commodities, primarily corn, soybeans and livestock. The Company periodically uses commodity futures and options for hedging purposes to reduce the effect of changing commodity prices and as a mechanism to procure grains and livestock. Generally, contract terms of a hedge instrument closely mirror those of the hedged item providing a high degree of risk reduction and correlation. Contracts that are highly effective at meeting this risk reduction and correlation criteria are recorded using hedge accounting. The following table presents a sensitivity analysis resulting from a hypothetical change of 10% in market prices as of September 28, 2002, and September 29, 2001, respectively, on fair value of open positions. The fair value of such position is a summation of the fair values calculated for each commodity by valuing each net position at quoted futures prices. The market risk exposure analysis includes hedge and non-hedge positions. The underlying commodities hedged have a high inverse correlation to price changes of the derivative positions.

Effect of 10% change in fair value	dollars in millions	
	2002	2001
Livestock:		
Cattle	\$ 12	\$ 14
Hogs	5	3
Grain	\$ 14	\$ 4

Interest Rate Risk The Company has exposure to changes in interest rates on the company's fixed-rate, long-term debt. Market risk for fixed-rate, long-term debt is estimated as the potential increase in fair value, resulting from a hypothetical 10% decrease in interest rates, and amounts to approximately \$75 million at September 28, 2002. The fair values of the Company's long-term debt were estimated using discounted future cash flows based on the Company's incremental borrowing rates for similar types of borrowing arrangements.

The Company hedges exposure to changes in interest rates on certain of its financial instruments. Under the terms of various leveraged equipment loans, the Company enters into interest rate swap agreements to effectively lock in a fixed interest rate for these borrowings. The maturity dates of these leveraged equipment loans range from 2005 to 2008 with interest rates ranging from 4.7% to 6.0%. Because of the positions taken with respect to these swap agreements an increase in interest rates would have a minimal effect on the fair value for fiscal years 2002 and 2001.

Foreign Currency Risk The Company also periodically enters into foreign exchange forward contracts to hedge some of its foreign currency exposure. The Company enters into forward contracts to hedge exposure to United States currency fluctuations inherent in its receivables and purchase commitments. The fair value of these contracts was not significant at September 28, 2002, and September 29, 2001. Foreign forward contracts generally have maturities or expirations not exceeding 12 months. A 10% change in the exchange rate of the currencies hedged would

change the fair value of the contracts by \$4 million at both September 28, 2002, and September 29, 2001.

Concentrations of Credit Risk The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables. The Company's cash equivalents are in high quality securities placed with major banks and financial institutions. Concentrations of credit risk with respect to receivables are limited due to the large number of customers and their dispersion across geographic areas. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. At September 28, 2002, approximately 10.8% of the Company's total accounts receivable balance was due from one customer. No other single customer or customer group represents greater than 10% of total accounts receivable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**TYSON FOODS, INC.
CONSOLIDATED STATEMENTS OF INCOME**

in millions, except per share data

Three years ended September 28, 2002	2002	2001	2000
Sales	\$ 23,367	\$ 10,563	\$ 7,268
Cost of Sales	21,550	9,660	6,453
	1,817	903	815
Operating Expenses:			
Selling, general and administrative	877	587	466
Other charges	53	-	-
Operating Income	887	316	349
Other Expense (Income):			
Interest	305	144	116
Other	(11)	7	(1)
	294	151	115
Income Before Income Taxes and Minority Interest	593	165	234
Provision for Income Taxes	210	58	83
Minority Interest	-	19	-
Net Income	\$ 383	\$ 88	\$ 151
Weighted Average Shares Outstanding:			
Basic	348	221	225
Diluted	355	222	226
Earnings Per Share:			
Basic	\$ 1.10	\$ 0.40	\$ 0.67
Diluted	\$ 1.08	\$ 0.40	\$ 0.67

See accompanying notes

TYSON FOODS, INC.
CONSOLIDATED BALANCE SHEETS

in millions, except per share data

September 28, 2002 and September 29, 2001	2002	2001
Assets		
Current Assets:		
Cash and cash equivalents	\$ 51	\$ 70
Accounts receivable, net	1,101	1,199
Inventories	1,885	1,911
Other current assets	107	110
Total Current Assets	3,144	3,290
Net Property, Plant and Equipment	4,038	4,085
Goodwill	2,633	2,618
Other Assets	557	639
Total Assets	\$ 10,372	\$ 10,632
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current debt	\$ 254	\$ 760
Trade accounts payable	755	799
Other current liabilities	1,084	857
Total Current Liabilities	2,093	2,416
Long-Term Debt	3,733	4,016
Deferred Income Taxes	643	609
Other Liabilities	241	237
Shareholders' Equity:		
Common stock (\$0.10 par value):		
Class A-authorized 900 million shares:		
Issued 267 million shares in 2002 and 2001	27	27
Class B-authorized 900 million shares:		
Issued 102 million shares in 2002 and 103 million shares in 2001	10	10
Capital in excess of par value	1,879	1,920
Retained earnings	2,097	1,770
Accumulated other comprehensive loss	(49)	(35)
	3,964	3,692
Less treasury stock, at cost-		
16 million shares in 2002 and 21 million shares in 2001	265	333

Less unamortized deferred compensation	37	5
Total Shareholders' Equity	3,662	3,354
Total Liabilities and Shareholders' Equity	\$ 10,372	\$ 10,632

See accompanying notes

TYSON FOODS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

in millions

Three years ended September 28, 2002

	Common Stock				Capital In Excess Of Par Value	Retained Earnings
	Class A		Class B			
	Shares	Amount	Shares	Amount		
Balance-October 2, 1999	138	\$14	103	\$10	\$740	\$1,599
Comprehensive Income:						
Net income						151
Other comprehensive income (loss)						
Currency translation adjustment						
Total Comprehensive income						
Purchase of Treasury Shares						
Exercise of Options						
Restricted Shares Issued					(5)	
Dividends Paid						(35)
Amortization of Deferred Compensation						
Balance-September 30, 2000	138	14	103	10	735	1,715
Comprehensive Income:						
Net income						88
Other comprehensive income (loss) net of tax						
of \$(11) million						
Cumulative effect of SFAS 133 adoption						
Derivative loss recognized in cost of sales						
Derivative unrealized loss						
Unrealized gain on investments						
Currency translation adjustment						

Total Comprehensive income						
Purchase of Treasury Shares						
Restricted Shares Cancelled						
Shares Issued in IBP Acquisition	129	13			1,185	
Dividends Paid						(33)
Amortization of Deferred Compensation						
<hr/>						
Balance-September 29, 2001	267	27	103	10	1,920	1,770
Comprehensive Income:						
Net income						383
Other comprehensive income (loss) net of tax of \$(5) million						
Derivative loss recognized in cost of sales						
Derivative unrealized loss						
Unrealized gain on investments						
Currency translation adjustment						
Additional pension liability						
Total Comprehensive income						
Purchase of Treasury Shares						
Restricted Shares Issued					(41)	
Restricted Shares Cancelled					2	
Dividends Paid						(56)
Amortization of Deferred Compensation						
Other			(1)		(2)	
<hr/>						
Balance-September 28, 2002	267	\$27	102	\$10	\$1,879	\$2,097

See accompanying notes

TYSON FOODS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

in millions

Three years ended September 28, 2002

	Treasury Stock		Unamortized Deferred Compensation	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount			
Balance-October 2, 1999	12	\$(232)	\$(2)	\$(1)	\$2,128
Comprehensive Income:					
Net income					151

Other comprehensive income (loss)					
Currency translation adjustment				(4)	(4)
Total Comprehensive income					<u>147</u>
Purchase of Treasury Shares	5	(69)			(69)
Exercise of Options		1			1
Restricted Shares Issued	(1)	16	(11)		-
Dividends Paid					(35)
Amortization of Deferred Compensation			3		3
Balance-September 30, 2000	16	(284)	(10)	(5)	2,175
Comprehensive Income:					
Net income					88
Other comprehensive income (loss) net of tax of \$(11) million					
Cumulative effect of SFAS 133 adoption				(6)	(6)
Derivative loss recognized in cost of sales				(5)	(5)
Derivative unrealized loss				(10)	(10)
Unrealized gain on investments				2	2
Currency translation adjustment				(11)	(11)
Total Comprehensive income					<u>58</u>
Purchase of Treasury Shares	5	(48)			(48)
Restricted Shares Cancelled		(1)			(1)
Shares Issued in IBP Acquisition					1,198
Dividends Paid					(33)
Amortization of Deferred Compensation			5		5
Balance-September 29, 2001	21	(333)	(5)	(35)	3,354
Net income					383
Other comprehensive income (loss) net of tax of \$(5) million					
Derivative loss recognized in cost of sales				5	5
Derivative unrealized loss				(2)	(2)
Unrealized gain on investments				(2)	(2)
Currency translation adjustment				(7)	(7)
Additional pension liability				(8)	(8)
Total Comprehensive income					<u>369</u>
Purchase of Treasury Shares	1	(19)			(19)
Restricted Shares Issued	(6)	90	(50)		(1)
Restricted Shares Cancelled		(3)	3		2
Dividends Paid					(56)
Amortization of Deferred Compensation			15		15
Other					(2)
Balance-September 28, 2002	16	\$(265)	\$(37)	\$(49)	\$3,662

See accompanying notes

TYSON FOODS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

in millions

Three years ended September 28, 2002	2002	2001	2000
Cash Flows From Operating Activities:			
Net income	\$ 383	\$ 88	\$ 151
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	431	294	257
Amortization	36	41	37
Write-down of intangible asset	27	-	-
Gain on sale of subsidiary	(22)	-	-
Deferred taxes	22	(47)	47
Other	16	19	29
(Increase) decrease in accounts receivable	48	(43)	57
(Increase) decrease in inventories	(4)	(15)	84
Increase (decrease) in trade accounts payable	(30)	89	(46)
Net change in other current assets and liabilities	267	85	(29)
Cash Provided by Operating Activities	1,174	511	587
Cash Flows From Investing Activities:			
Additions to property, plant and equipment	(433)	(261)	(196)
Proceeds from sale of assets	14	33	4
Proceeds from sale of subsidiary	131	-	-
Net cash paid for IBP acquisition	-	(1,670)	-
Acquisitions of property, plant and equipment	(73)	(33)	-
Purchase of Tyson de Mexico minority interest	-	(19)	-
Net change in investment in commercial paper	94	(23)	(2)
Net change in other assets and liabilities	(61)	(45)	(12)
Cash Used for Investing Activities	(328)	(2,018)	(206)
Cash Flows From Financing Activities:			
Net change in debt	(789)	1,584	(263)
Purchase of treasury shares	(19)	(48)	(69)
Proceeds from exercise of IBP stock options	-	34	-
Dividends and other	(58)	(35)	(34)
Cash Provided by (Used for) Financing Activities	(866)	1,535	(366)

Effect of Exchange Rate Change on Cash	1	(1)	(2)
Increase (Decrease) in Cash and Cash Equivalents	(19)	27	13
Cash and Cash Equivalents at Beginning of Year	70	43	30
Cash and Cash Equivalents at End of Year	\$ 51	\$ 70	\$ 43

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business: Tyson Foods, Inc., founded in 1935 with headquarters in Springdale, Arkansas, is the world's largest processor and marketer of beef, chicken and pork. Tyson Foods produces a wide variety of brand name protein-based and prepared food products marketed in the United States and more than 80 countries around the world. Tyson Foods is the recognized market leader in the retail and foodservice markets it serves. The Company has approximately 120,000 team members and 300 facilities and offices in 29 states and 22 countries.

Consolidation: The consolidated financial statements include the accounts of all wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year: The Company utilizes a 52- or 53-week accounting period that ends on the Saturday closest to September 30.

Reclassifications: Certain reclassifications have been made to prior periods to conform to current presentations.

Cash and Cash Equivalents: Cash equivalents consist of investments in short-term, highly liquid securities having original maturities of three months or less, which are made as part of the Company's cash management activity. The carrying values of these assets approximate their fair market values. As a result of the Company's cash management system, checks issued, but not presented to the banks for payment, may create negative cash balances. Checks outstanding in excess of related cash balances totaling approximately \$292 million at September 28, 2002, and \$265 million at September 29, 2001, are included in trade accounts payable and accrued salaries, wages and benefits.

Inventories: Processed products, livestock (excluding breeders) and supplies and other are valued at the lower of cost (first-in, first-out) or market. Breeders are stated at cost less amortization. Livestock includes live cattle, live chicken and live swine. Live chicken consists of broilers and breeders.

Total inventory consists of:

	in millions	
	2002	2001
Processed products	\$ 1,112	\$ 1,095
Livestock	505	561
Supplies and other	268	255
Total inventory	\$ 1,885	\$ 1,911

Depreciation: Depreciation is provided primarily by the straight-line method using estimated lives for buildings and leasehold improvements

of 10 to 39 years, machinery and equipment of three to 12 years and other of three to 20 years.

Long-lived assets: The Company reviews the carrying value of long-lived assets at each balance sheet date if indication of impairment exists. Recoverability is assessed using undiscounted cash flows based upon historical results and current projections of earnings before interest and taxes. The Company measures impairment using discounted cash flows of future operating results based upon a rate that corresponds to the Company's cost of capital. Impairments are recognized in operating results to the extent that carrying value exceeds discounted cash flows of future operations.

Goodwill: Goodwill and indefinite lived intangible assets are recorded at fair values and not amortized, but are reviewed for impairment at least annually or more frequently if impairment indicators arise. For fiscal years 2001 and 2000, goodwill arising prior to the IBP transaction has been amortized on a straight-line basis over periods ranging from 15 to 40 years. At September 28, 2002, and September 29, 2001, the accumulated amortization of goodwill was \$286 million.

Amount of goodwill by segment at September 28, 2002, and September 29, 2001, was as follows:

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	in millions	
	2002	2001
Beef	\$ 1,306	\$ 1,306
Chicken	917	916
Pork	350	350
Prepared Foods	60	46
Total	\$ 2,633	\$ 2,618

The increase in goodwill in the prepared foods segment results from the acquisition of the assets of Millard Processing Services.

Goodwill has been allocated to reporting units based on fair value of identifiable assets. This goodwill is not deductible for income tax purposes.

Accrued self insurance Insurance expense for casualty claims and employee-related health care benefits are estimated using historical experience and actuarial estimates.

Capital Stock: Holders of Class B common stock (Class B stock) may convert such stock into Class A common stock (Class A stock) on a share-for-share basis. Holders of Class B stock are entitled to 10 votes per share while holders of Class A stock are entitled to one vote per share on matters submitted to shareholders for approval. Cash dividends cannot be paid to holders of Class B stock unless they are simultaneously paid to holders of Class A stock. The per share amount of the cash dividend paid to holders of Class B stock cannot exceed 90% of the cash dividend simultaneously paid to holders of Class A stock. The Company pays quarterly cash dividends to Class A and Class B shareholders. The Company paid Class A dividends per share of \$0.16 and Class B dividends per share of \$0.144 in fiscal years 2002, 2001 and 2000.

Stock-Based Compensation: Stock-based compensation is recognized using the intrinsic value method. For disclosure purposes, pro forma net income and earnings per share impacts are provided as if the fair value method had been applied.

Financial Instruments: Periodically, the Company uses derivative financial instruments to reduce its exposure to various market risks. The Company does not regularly engage in speculative transactions, nor does the Company regularly hold or issue financial instruments for trading purposes. However, the Company does periodically hold positions as economic hedges for which hedge accounting is not applied. Generally, contract terms of a hedge instrument closely mirror those of the hedged item providing a high degree of risk reduction and correlation. Contracts that are highly effective at meeting the risk reduction and correlation criteria are recorded using hedge accounting. If a derivative instrument is a hedge, depending on the nature of the hedge, changes in the fair value of the instrument will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of an instrument's change in fair value will be immediately recognized in earnings. Instruments that do not meet the criteria for hedge accounting are marked to fair value with unrealized gains or losses reported

currently in earnings. The Company generally does not hedge anticipated transactions beyond 12 months.

Revenue Recognition: The Company recognizes revenue from product sales upon delivery to customers.

Freight Expense: Freight expense associated with products shipped to customers is recognized in cost of products sold.

Advertising and Promotion Expenses: Advertising and promotion expenses are charged to operations in the period incurred. Advertising and promotion expenses for fiscal 2002, 2001 and 2000 were \$396 million, \$337 million and \$280 million, respectively.

Minority Interest: The results of operations of IBP for the nine weeks ended September 29, 2001, are included in the Company's consolidated results of operations. Minority interest primarily consists of the 49.9% of IBP that was acquired on September 28, 2001.

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Use of Estimates: The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States which require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Standards: In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). Under SFAS 142, goodwill and indefinite lived intangible assets are no longer amortized but are reviewed annually or more frequently if impairment indicators arise, for impairment. Separable intangible assets that have finite lives will continue to be amortized over their useful lives. The Company elected to early adopt the provisions of SFAS 142 and discontinued the amortization of its goodwill balances and intangible assets with indefinite useful lives effective September 30, 2001. The Company assessed its goodwill for impairment upon adoption, and completed its required annual test for impairment in the fourth quarter of fiscal 2002. Neither impairment test indicated any impairment losses. Had the provisions of SFAS 142 been in effect during fiscal years 2001 and 2000, a reduction in amortization expense and an increase to net income of \$30 million or \$0.14 per diluted share and \$29 million or \$0.13 per diluted share respectively, would have been recorded.

In accordance with the guidance provided in Emerging Issues Task Force (EITF) Issue No. 00-14, "Accounting for Certain Sales Incentives," and EITF Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products," beginning in the first quarter of fiscal 2002, the Company classifies the costs associated with sales incentives provided to retailers and payments such as slotting fees and cooperative advertising to vendors as a reduction in sales. These costs were previously included in selling, general and administrative expense. These reclassifications resulted in a reduction to sales and selling, general and administrative expense of approximately \$188 million and \$142 million for fiscal years 2001 and 2000, respectively, and had no impact on reported income before income taxes and minority interest, net income, or earnings per share amounts.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires the Company to recognize the fair value of a liability associated with the cost the Company would be obligated to incur in order to retire an asset at some point in the future. The liability would be recognized in the period in which it is incurred and can be reasonably estimated. The standard is effective for fiscal years beginning after June 15, 2002. The Company expects to adopt this standard at the beginning of its fiscal 2003. The Company believes the adoption of SFAS No. 143 will not have a material impact on its financial position or results of operations.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 develops an accounting model, based upon the framework established in SFAS No. 121, for long-lived assets to be disposed by sales. The accounting model applies to all long-lived assets, including discontinued operations, and it replaces the provisions of ABP Opinion No. 30, "Reporting Results of Operations-Reporting the Effects of Disposal of a Segment of a Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for disposal of segments of a business. SFAS No. 144 requires long-lived assets held for disposal to be measured at the lower of carrying amount or fair values less costs to sell, whether reported in continuing operations or in discontinued operations. The statement is effective for fiscal years beginning after December 15, 2001. The Company intends to adopt this standard at the beginning of its fiscal 2003. The Company believes the adoption of SFAS No. 144 will not have a material impact on its financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and replaces EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. SFAS No. 146 also establishes that fair value is the objective for initial measurement of the liability. The statement is effective for exit or disposal activities initiated after December 31, 2002. The Company believes the adoption of SFAS No. 146 will not have a material impact on its financial position or results of operations.

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NOTE 2: ACQUISITION

In August 2001, the Company acquired 50.1% of IBP by paying \$1.7 billion in cash. In September 2001, the Company issued 129 million shares of Class A common stock, with a fair value of \$1.2 billion, to acquire the remaining IBP shares, and assumed \$1.7 billion of IBP debt. The total acquisition cost of \$4.6 billion was accounted for as a purchase in accordance with Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations." Accordingly, the tangible and identifiable intangible assets and liabilities have been adjusted to fair values with the remainder of the purchase price recorded as goodwill.

The transaction was accounted for using the purchase method of accounting required by SFAS 141. Goodwill and identifiable intangible assets recorded in the acquisition will be tested periodically for impairment as required by SFAS 142. The allocation of the purchase price to specific assets and liabilities was based, in part, upon an outside appraisal of IBP's long-lived assets. The allocation of the purchase price has been completed.

Fair value of assets acquired and liabilities assumed at August 3, 2001:

	in millions
Cash and cash equivalents	\$ 37
Accounts receivable	641
Inventories	937
Other current assets	112
Property, plant and equipment	1,968
Goodwill	1,692
Other assets	385
Total Assets	\$ 5,772
Accounts payable and accruals	\$ 836
Other liabilities	227
Long-term debt	1,651
Deferred income taxes	221
Shareholders' Equity	2,837
Total Liabilities and Shareholders' Equity	\$ 5,772

Identifiable intangible assets of \$242 million consist of trademarks of \$138 million, patents of \$87 million and \$17 million of supply contracts (all of which are included in other assets). The amounts associated with trademarks are not subject to amortization as management believes their useful lives to be indefinite. The amounts associated with patents and supply contracts are being amortized over 15 and five years, respectively.

In August 2001, the company completed the financing for the acquisition of IBP by entering into two bridge revolving credit facilities consisting of a senior unsecured bridge credit agreement which provided for aggregate borrowings up to \$2.5 billion (the Bridge Facility) and a senior unsecured receivables bridge credit agreement which provided for aggregate borrowings up to \$350 million (the Receivables Bridge Facility). Subsequent to September 29, 2001, the Company refinanced both facilities.

The pro forma unaudited results of operations for the years ended September 29, 2001, and September 30, 2000, assuming the purchase of IBP had been consummated as of October 1, 1999, follows. Pro forma adjustments have been made to reflect additional interest from debt associated with the acquisition and additional common shares issued.

	2001 Pro Forma	2000 Pro Forma
Sales	\$24,975	\$24,085
Net income before extraordinary items	82	314
Net income	82	297
Earnings per share before extraordinary items:		
Basic	0.24	0.89
Diluted	0.24	0.89
Earnings per share:		
Basic	0.23	0.84
Diluted	0.23	0.84

The unaudited pro forma results are not necessarily indicative of the actual results of operations that would have occurred had the purchase actually been made at the beginning of fiscal 2000, or the results that may occur in the future.

In May 2001, the Company increased its ownership in Tyson de Mexico, S.A. de C.V. (TdM) by acquiring common shares of TdM from existing minority shareholders for cash and by a non-cash transaction whereby TdM exchanged minority shareholders' common stock for \$45 million of TdM redeemable preferred stock with an 8% coupon. In September 2001, the Company acquired the remaining common shares of TdM held by minority shareholders. Upon completion of these transactions, the Company now owns 100% of the common shares of TdM. The Company has entered into a call agreement with the holders of converted TdM redeemable preferred stock which allows the Company to purchase the converted redeemable preferred stock over 5 years. Additionally, in May 2001, TdM purchased the poultry assets of Nochistongo S.P.R. de R.L., a fully integrated broiler production operation that markets products under the "Kory" brand. The purchase price of both transactions was allocated based upon the estimated fair market values at the date of purchase. As of September 28, 2002, the Company had purchased \$11 million of the convertible redeemable preferred stock.

In May 2002, the Company acquired Millard Processing Services, a bacon processing operation, for approximately \$73 million in cash. The acquisition has been accounted for as a purchase and goodwill of approximately \$14 million has been recorded.

NOTE 3: DISPOSITION

In September 2002, the Company completed the sale of its Specialty Brands, Inc. subsidiary. The subsidiary had been acquired with the IBP acquisition and its results of operations were included in the Company's prepared foods segment. The Company received cash proceeds of approximately \$131 million, which were used to reduce indebtedness, and recognized a pretax gain of \$22 million which is included in other income on the consolidated statement of income.

NOTE 4: OTHER CHARGES

In August 2002, the Company announced its decision to restructure the live swine operation. The restructuring will result in the closure of company-owned and leased feeder pig finishing farms in Arkansas and eastern Oklahoma. The Company will retain a limited number of breeding operations in Oklahoma and northwest Arkansas as well as some feeder pig finishing operations in north central Missouri. As a result of this decision, the Company recorded a live swine restructuring accrual of \$26 million in the fourth quarter of fiscal 2002. This amount is reflected in the pork segment as a reduction to operating income and included on the consolidated statement of income in other charges.

In August 2002, the Company made the decision to capitalize on the strong recognition of the Tyson brand by expanding the Tyson brand to beef and pork. Thus, in the fourth quarter of fiscal 2002 the Company recorded a write-down of \$27 million related to the discontinuation of the Thomas E. Wilson brand. This amount is reflected in the prepared foods segment as a reduction to operating income and included on the consolidated statement of income in other charges.

NOTE 5: ALLOWANCE FOR DOUBTFUL ACCOUNTS

At September 28, 2002, and September 29, 2001, the allowance for doubtful accounts was \$26 million and \$27 million, respectively. In fiscal 2000, AmeriServe Food Distribution, Inc. (AmeriServe), a significant distributor of products to fast food and casual dining restaurant chains, filed for reorganization in Delaware under Chapter 11 of the Federal Bankruptcy Code. The Company is a major supplier to several AmeriServe customers. In the second quarter of fiscal 2000, the Company recorded a \$24 million bad debt reserve to fully reserve the AmeriServe receivable.

NOTE 6: FINANCIAL INSTRUMENTS

In October 2000, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," (SFAS 133) as amended. This statement requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through earnings. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings, or recognized in other comprehensive income (loss) until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is recognized in earnings.

The adoption of SFAS 133 in October 2000, resulted in a cumulative effect of approximately \$6 million after-tax (\$9 million pre-tax) being charged to other comprehensive income (loss).

At September 28, 2002, and September 29, 2001, the Company had derivative related balances totaling \$1 million and \$5 million recorded in other current assets and \$19 million and \$20 million recorded in other current liabilities, respectively.

Cash flow hedges: The Company uses derivatives to moderate the financial and commodity market risks of its business operations. Derivative products, such as futures and option contracts, are considered to be a hedge against changes in the amount of future cash flows related to commodities procurement. The Company also enters into interest rate swap agreements to adjust the proportion of total long-term debt and leveraged equipment loans that are subject to variable interest rates. Under these interest rate swaps, the Company agrees to pay a fixed rate of interest times a notional principal amount and to receive in return an amount equal to a specified variable rate of interest times the same notional principal amount. These interest rate swaps are considered to be a hedge against changes in the amount of future cash flows associated with the Company's variable rate interest payments.

The effective portion of the cumulative gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) in shareholders' equity and recognized into earnings in the same period or periods during which the hedged transaction affects earnings (for commodity hedges when the chickens that consumed the hedged grain are sold). The remaining cumulative gain or loss on the derivative instrument in excess of the cumulative change in the present value of the future cash flows of the hedged item, if any, is recognized in earnings during the period of change. No ineffectiveness was recognized on cash flow hedges during fiscal 2002 or 2001. The Company expects that the after tax losses, net of gains, totaling approximately \$2 million recorded in other comprehensive income (loss) at September 28, 2002, related to cash flow hedges, will be recognized within the next 12 months. The Company generally does not hedge cash flows related to commodities beyond 12 months.

Fair value hedges: The Company designates certain futures contracts as fair value hedges of firm commitments to purchase livestock for slaughter. The Company also enters into foreign currency forward contracts to hedge changes in fair value of receivables and purchase commitments arising from changes in the exchange rates of foreign currencies. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a fair value hedge, along with the loss or gain on the hedged asset or liability that is attributable to the hedged risk (including losses or gains on firm commitments), are recorded in current period earnings. Ineffectiveness results when the change in the fair value of the hedge instrument differs from the change in fair value of the hedged item. Ineffectiveness recorded related to the Company's fair value hedges was not significant during fiscal 2002 or 2001.

Undesignated positions: The Company holds certain commodity futures contracts in the regular course of business to manage its exposure against commodity price fluctuations on anticipated purchases of raw materials and anticipated sales of finished inventories. The contracts are generally for short durations of less than one year. Although these instruments are economic hedges, the Company

does not designate these contracts as hedges for accounting purposes. As a result, the Company marks these contracts to market and recognizes the change through earnings. At September 28, 2002, and September 29, 2001, these contracts had a fair value liability of \$11 million recorded on the consolidated balance sheet.

Fair Values of Financial Instruments:

in millions

Commodity derivative positions	\$ (12)	\$ (8)
Interest-rate derivative positions	(6)	(6)
Foreign currency derivative positions	-	(1)
Total debt	\$ 4,397	\$ 4,740

Fair values are based on quoted market prices or published forward interest rate curves. All other financial instruments' fair values approximate recorded values at September 28, 2002, and September 29, 2001.

Concentrations of Credit Risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash equivalents and trade receivables. The Company's cash equivalents are in high quality securities placed with major banks and financial institutions. Concentrations of credit risk with respect to receivables are limited due to the large number of customers and their dispersion across geographic areas. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. At September 28, 2002, approximately 10.8% of the Company's total accounts receivable balance was due from one customer. No other customer or customer group represents greater than 10% of total accounts receivable.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

The major categories of property, plant and equipment and accumulated depreciation, at cost, are as follows:

	in millions	
	2002	2001
Land	\$ 111	\$ 114
Buildings and leasehold improvements	2,154	2,085
Machinery and equipment	3,419	3,218
Land improvements and other	185	174
Buildings and equipment under construction	414	379
	6,283	5,970
Less accumulated depreciation	2,245	1,885
Net property, plant and equipment	\$ 4,038	\$ 4,085

The Company capitalized interest costs of \$9 million in 2002, \$3 million in 2001 and \$2 million in 2000 as part of the cost of major asset construction projects. Approximately \$137 million will be required to complete construction projects in progress at September 28, 2002.

NOTE 8: OTHER CURRENT LIABILITIES

Other current liabilities at September 28, 2002, and September 29, 2001, include:

	in millions	
	2002	2001
Accrued salaries, wages and benefits	\$ 308	\$ 270
Self insurance reserves	225	189
Income taxes payable	202	109
Property and other taxes	52	63
Other	297	226
Total other current liabilities	\$ 1,084	\$ 857

NOTE 9: COMMITMENTS

The Company leases certain farms and other properties and equipment for which the total rentals thereon approximated \$105 million in 2002, \$76 million in 2001 and \$66 million in 2000. Most farm leases have terms ranging from one to 10 years with various renewal periods. The most significant obligations assumed under the terms of the leases are the upkeep of the facilities and payments of insurance and property taxes.

Minimum lease commitments under non-cancelable leases at September 28, 2002, total \$197 million composed of \$72 million for 2003, \$41 million for 2004, \$31 million for 2005, \$25 million for 2006, \$17 million for 2007 and \$11 million for later years. These future commitments are expected to be offset by future minimum lease payments to be received under subleases of approximately \$5 million.

The Company assists certain of its swine and chicken growers in obtaining financing for growout facilities by providing the growers with extended growout contracts and conditional operation of the facilities should a grower default under their growout or loan agreement. The Company also guarantees debt of outside third parties of \$66 million.

The Company enters into various future purchase commitments for finished live cattle and hogs. These purchase commitments are at a market-derived price at the time of delivery or were fully hedged if the price was determined at an earlier date. The commitments deliverable in any year is less than the operating requirements of that year.

NOTE 10: LONG-TERM DEBT

The Company has unsecured revolving credit agreements totaling \$1 billion that support the Company's commercial paper program, letters of credit and other short-term funding needs. These facilities were restructured during the third quarter of fiscal 2002. The \$500 million 364 day facility was restructured into a \$300 million 3 year facility and a \$200 million 364 day facility. These \$1 billion in facilities consist of \$200 million that expires in June 2003, \$300 million that expires in June 2005 and \$500 million that expires in September 2006. At September 28, 2002, there were no amounts outstanding under these facilities.

In October 2001, the Company refinanced the \$2.3 billion outstanding under a bridge financing facility through the issuance of \$2.25 billion of notes offered in three tranches consisting of \$500 million of 6.625% notes due October 2004, \$750 million of 7.25% notes due October 2006 and \$1 billion of 8.25% notes due October 2011.

In October 2001, the Company entered into a receivables purchase agreement with three co-purchasers to sell up to \$750 million of trade receivables. The receivables purchase agreement has been accounted for as a borrowing and has an interest rate based on commercial paper issued by the co-purchasers. Under this agreement, substantially all of the Company's accounts receivable are sold to a special purpose entity, Tyson Receivables Corporation (TRC), which is a wholly owned consolidated subsidiary of the Company. TRC has its own separate creditors that are entitled to be satisfied out of all of the assets of TRC prior to any value becoming available to TRC's equity holders.

At September 28, 2002, the Company had outstanding letters of credit totaling approximately \$287 million issued primarily in support of workers' compensation insurance programs, industrial revenue bonds and the leveraged equipment loans. There were no draw downs under these letters of credit at September 28, 2002.

Under the terms of the leveraged equipment loans, the Company had restricted cash totaling approximately \$52 million, which is included in other assets at September 28, 2002. Under these leveraged loan agreements, the Company entered into interest rate swap agreements to effectively lock in a fixed interest rate for these borrowings.

Annual maturities of long-term debt for the five years subsequent to September 28, 2002, are: 2003-\$254 million; 2004-\$42 million; 2005-\$719 million; 2006-\$286 million and 2007-\$909 million.

The revolving credit agreements, senior notes, notes and accounts receivable securitization debt contain various covenants, the more restrictive of which contain a maximum allowed leverage ratio and a minimum required interest coverage ratio. The Company is in compliance with these covenants at fiscal year end.

Industrial revenue bonds are secured by facilities with a net book value of \$64 million at September 28, 2002. The weighted average interest rate on all outstanding short-term borrowing was 3.3% at September 28, 2002, and 5.1% at September 29, 2001.

Long-term debt consists of the following:

		in millions	
	Maturity	2002	2001
Commercial paper (2.17% effective rate at 9/28/02 and 4.01% effective rate at 9/29/01)	2002	\$ 24	210
Revolver (4.05% effective rate at 9/29/01)	2003, 2005, 2006	-	500
Bridge Facility (4.01% effective rate at 9/29/01)	2002	-	2,300
Senior notes and Notes (rates ranging from 6% to 8.25%)	2002-2028	3,607	1,456
Accounts Receivable Securitization Debt (2.35% effective rate at 9/28/02)	2002	75	-
Institutional notes (10.84% effective rate at 9/28/02 and 9/29/01)	2002-2006	50	50
Leveraged equipment loans (rates ranging from 4.7% to 6.0%)	2005-2008	124	138
Other	Various	107	122
Total debt		3,987	4,776
Less current debt		254	760
Total long-term debt		\$ 3,733	\$ 4,016

Included in current debt are short-term notes payable totaling \$37 million and \$18 million at September 28, 2002, and September 29, 2001, respectively.

The Company has fully and unconditionally guaranteed \$541 million of senior notes issued by IBP, a wholly-owned subsidiary of the Company.

The following condensed consolidating financial information is provided for the Company, as guarantor, and for IBP, as issuer, as an alternative to providing separate financial statements for the issuer.

Financial results of the live swine operations, as well as interest expense related to the IBP acquisition are included in the Tyson amounts.

	Tyson	IBP	Adjustments	Consolidated
Sales	\$ 7,848	\$ 15,563	\$ (44)	\$ 23,367
Cost of Sales	6,900	14,694	(44)	21,550
	948	869	-	1,817
Operating Expenses:				
Selling, general and administrative	509	368		877
Other charges	26	27		53
Operating Income	413	474		887
Interest and Other Expense	243	51		294
Income Before Income Taxes and Minority Interest	170	423		593
Provision for Income Taxes	53	157		210
Minority Interest				-
Net Income	\$ 117	\$ 266	\$ -	\$ 383

Condensed Consolidating Statement of Income for the year ended September 29, 2001

in millions

	Tyson	IBP	Adjustments	Consolidated
Sales	\$ 7,520	\$ 3,048	\$ (5)	\$ 10,563
Cost of Sales	6,764	2,901	(5)	9,660
	756	147	-	903
Selling, General and Administrative	510	77		587
Operating Income	246	70		316
Interest and Other Expense	135	16		151
Income Before Income Taxes and Minority Interest	111	54		165
Provision for Income Taxes	40	18		58
Minority Interest	1	18		19
Net Income	\$ 70	\$ 18	\$ -	\$ 88

Condensed Consolidating Balance Sheet as of September 28, 2002

in millions

	Tyson	IBP	Adjustments	Consolidated
Assets				
Current Assets:				
Cash and cash equivalents	\$ 42	\$ 9	\$	\$ 51
Accounts receivable, net	896	610	(405)	1,101
Inventories	1,078	807		1,885
Other current assets	28	79		107
Total Current Assets	2,044	1,505	(405)	3,144
Net Property, Plant and Equipment	2,138	1,900		4,038
Goodwill	941	1,692		2,633
Other Assets	3,118	345	(2,906)	557
Total Assets	\$ 8,241	\$ 5,442	\$ (3,311)	\$ 10,372
Liabilities and Shareholders' Equity				
Current Liabilities:				
Current debt	\$ 253	\$ 1	\$	\$ 254
Trade accounts payable	352	403		755
Other current liabilities	635	2,546	(2,097)	1,084
Total Current Liabilities	1,240	2,950	(2,097)	2,093
Long-Term Debt	3,160	573		3,733
Deferred Income Taxes	378	265		643
Other Liabilities	70	171		241
Shareholders' Equity	3,393	1,483	(1,214)	3,662
Total Liabilities and Shareholders' Equity	\$ 8,241	\$ 5,442	\$ (3,311)	\$ 10,372

Condensed Consolidating Balance Sheet as of September 29, 2001

in millions

	Tyson	IBP	Adjustments	Consolidated
Assets				
Current Assets:				

Cash and cash equivalents	\$ 47	\$ 23	\$ -	\$ 70
Accounts receivable, net	1,413	701	(915)	1,199
Inventories	1,007	912	(8)	1,911
Other current assets	26	85	(1)	110
Total Current Assets	2,493	1,721	(924)	3,290
Net Property, Plant and Equipment	2,105	1,756	224	4,085
Goodwill	926	802	890	2,618
Other Assets	3,161	309	(2,831)	639
Total Assets	\$ 8,685	\$ 4,588	\$ (2,641)	\$ 10,632
Liabilities and Shareholders' Equity				
Current Liabilities:				
Current debt	\$ 755	\$ 5	\$ -	\$ 760
Trade accounts payable	367	1,339	(907)	799
Other current liabilities	419	436	2	857
Total Current Liabilities	1,541	1,780	(905)	2,416
Long-Term Debt	3,359	686	(29)	4,016
Deferred Income Taxes	368	11	230	609
Other Liabilities	75	149	13	237
Shareholders' Equity	3,342	1,962	(1,950)	3,354
Total Liabilities and Shareholders' Equity	\$ 8,685	\$ 4,588	\$ (2,641)	\$ 10,632

Condensed Consolidating Statement of Cash Flows for year ended September 28, 2002

in millions

	Tyson	IBP	Adjustments	Consolidated
Cash Flows From Operating Activities:				
Net income	\$ 117	\$ 266	\$ -	\$ 383
Net changes in working capital	680	(399)		281
Depreciation and amortization	295	172		467
Write-down of intangible asset	-	27		27
Gain on sale of subsidiary		(22)		(22)
Deferred taxes	(19)	41		22
Other	7	9		16
Cash Provided by Operating Activities	1,080	94		1,174

Cash Flows From Investing Activities:				
Additions to property, plant and equipment	(272)	(161)	(433)	
Proceeds from sale of assets	12	2	14	
Proceeds from sale of subsidiary	-	131	131	
Acquisitions of property, plant and equipment	(73)	-	(73)	
Net change in investment in commercial paper	94	-	94	
Net change in other assets and liabilities	(73)	12	(61)	
<hr/>				
Cash Used for Investing Activities	(312)	(16)	(328)	
<hr/>				
Cash Flows From Financing Activities:				
Net change in debt	(701)	(88)	(789)	
Purchase of treasury shares	(19)	-	(19)	
Dividends and other	(54)	(4)	(58)	
<hr/>				
Cash Used for Financing Activities	(774)	(92)	(866)	
<hr/>				
Effect of Exchange Rate Change on Cash	1	-	1	
<hr/>				
Decrease in Cash and Cash Equivalents	(5)	(14)	(19)	
Cash and Cash Equivalents at Beginning of Year	47	23	70	
<hr/>				
Cash and Cash Equivalents at End of Year	\$ 42	\$ 9	\$ -	\$ 51

Condensed Consolidating Statement of Cash Flows for year ended September 29, 2001

in millions

	Tyson	IBP	Adjustments	Consolidated
Cash Flows From Operating Activities:				
Net income	\$ 70	\$ 18	\$ -	\$ 88
Net changes in working capital	130	(14)		116
Depreciation and amortization	303	32		335
Deferred taxes	(73)	26		(47)
Other	4	15		19
<hr/>				
Cash Provided by Operating Activities	434	77		511
<hr/>				
Cash Flows From Investing Activities:				
Additions to property, plant and equipment	(214)	(47)		(261)

Proceeds from sale of assets	32	1	33
Net cash paid for IBP acquisition	(1,707)	37	(1,670)
Purchase of Tyson de Mexico minority interest	(19)	-	(19)
Net change in other assets and liabilities	(95)	(6)	(101)
Cash Used for Investing Activities	(2,003)	(15)	(2,018)
Cash Flows From Financing Activities:			
Net change in debt	1,656	(72)	1,584
Purchase of treasury shares	(48)	-	(48)
Proceeds from exercise of IBP stock options	-	34	34
Dividends and other	(34)	(1)	(35)
Cash Provided by (Used for) Financing Activities	1,574	(39)	1,535
Effect of Exchange Rate Change on Cash	(1)	-	(1)
Increase in Cash and Cash Equivalents	4	23	27
Cash and Cash Equivalents at Beginning of Year	43	-	43
Cash and Cash Equivalents at End of Year	\$ 47	\$ 23	\$ -
		\$ 70	

NOTE 11: COMPREHENSIVE INCOME (LOSS)

The components of accumulated other comprehensive income (loss) included: foreign currency translation adjustment of \$(23) million, \$(16) million, and \$(5) million for 2002, 2001, and 2000, respectively; unrealized hedging gains (losses), net of taxes, of \$(18) million, (21) million, and \$0 for 2002, 2001, and 2000, respectively; unrealized gain (loss) on investments, net of taxes, of \$0, \$2 million and \$0 for 2002, 2001, and 2000, respectively; and minimum pension liability adjustment, net of taxes, of \$(8) million for 2002.

NOTE 12: STOCK OPTIONS AND RESTRICTED STOCK

The shareholders approved the 2000 Stock Incentive Plan (Incentive Plan) in January 2001. The Incentive Plan is administered by the Compensation Subcommittee of the Board of Directors and permits awards of shares of Class A stock, awards of derivative securities related to the value of Class A stock and tax reimbursement payments to eligible persons. The Incentive Plan provides for the award of a variety of equity-based incentives such as incentive stock options, nonqualified stock options, stock appreciation rights, dividend equivalent rights, performance unit awards and phantom shares. The Incentive Plan provides for granting incentive stock options for shares of Class A stock at a price not less than the fair market value at the date of grant. Nonqualified stock options may be granted at a price equal to, less than or more than the fair market value of Class A stock on the date that the option is granted. Stock options under the Incentive Plan generally become exercisable ratably over three to eight years from the date of grant and must be exercised within 10 years from the date of grant.

In May 2000, the Company cancelled approximately four million option shares and granted approximately one million restricted shares of Class A stock. The restriction expires over periods through December 1, 2003. At September 28, 2002, the Company had outstanding approximately six million restricted shares of Class A stock with restrictions expiring over periods through July 1, 2020. The unearned portion of the restricted stock is classified on the Consolidated Balance Sheets as deferred compensation in shareholders' equity

A summary of the Company's stock option activity is as follows:

Shares under option	Weighted average exercise price per share
---------------------	---

Outstanding, October 2, 1999	12,086,332	\$15.74
Exercised	(88,332)	14.23
Canceled	(5,199,995)	15.17
Outstanding, September 30, 2000	6,798,005	16.19
Exercised	-	-
Canceled	(689,520)	15.57
Granted	4,291,650	11.50
Options assumed with IBP acquisition	5,918,068	8.70
Outstanding, September 29, 2001	16,318,203	12.27
Exercised	(800,596)	9.50
Canceled	(997,816)	12.97
Granted	2,509,695	9.45
Outstanding, September 28, 2002	17,029,486	\$12.01

The number of options exercisable was as follows: September 28, 2002-9,373,360; September 29, 2001-9,644,323 and September 30, 2000-2,926,980. The remainder of the options outstanding at September 28, 2002, are exercisable ratably through October 2006. The number of shares available for future grants was 10,536,763 and 2,742,800 at September 28, 2002, and September 29, 2001, respectively.

The following table summarizes information about stock options outstanding at September 28, 2002:

Options outstanding				Options exercisable	
Range of exercise prices	Shares outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price	Shares exercisable	Weighted average exercise price
\$3.43-\$6.69	899,540	5.9	\$5.46	899,540	\$5.46
6.71-10.91	3,876,085	5.1	9.34	3,876,085	9.34
10.92-13.85	276,240	5.7	11.69	276,240	11.69
9.32-9.75	2,193,531	9.0	9.34	4,635	9.32
11.50	4,050,485	8.5	11.50	-	-
14.33-14.50	1,740,705	1.9	14.40	1,740,705	14.40
14.58-15.17	1,228,000	4.0	15.04	966,315	15.04
17.92-18.00	2,764,900	4.1	17.93	1,609,840	17.92
	17,029,486			9,373,360	

The weighted average fair value of options granted during 2002 was approximately \$3.31. The fair value of each option grant is established on the date of grant using the Black-Scholes option-pricing model. Assumptions include an expected life of six years, risk-free interest rate ranging from 3.73% to 3.80%, expected volatility of 37.5% and dividend yield ranging from 1.64% to 1.72% in 2002.

The Company applies Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its employee stock option plans. Accordingly, no compensation expense was recognized for its stock option plans. Had compensation cost for the employee stock option plans been determined based on the fair value method of accounting for the Company's stock option plans, the tax-effected impact would be as follows:

	in millions, except per share data		
	2002	2001	2000
Net Income			
As reported	\$ 383	\$ 88	\$ 151
Pro forma	379	85	148
Earnings per share			
As reported			
Basic	1.10	0.40	0.67
Diluted	1.08	0.40	0.67
Pro forma			
Basic	1.09	0.38	0.66
Diluted	1.07	0.38	0.65

Pro forma net income reflects only options granted after fiscal 1995. Additionally, the pro forma disclosures are not likely to be representative of the effects on net income for future years.

NOTE 13: BENEFIT PLANS

The Company has defined contribution retirement and incentive benefit programs for various groups of Company personnel. Company contributions totaled \$50 million, \$35 million and \$32 million in 2002, 2001 and 2000, respectively.

NOTE 14: TRANSACTIONS WITH RELATED PARTIES

The Company has operating leases for farms, equipment and other facilities with the former Senior Chairman of the Board of Directors of the Company and certain members of his family, as well as a trust controlled by him, for rentals of \$9 million in 2002, \$9 million in 2001 and \$7 million in 2000. Other facilities have been leased from other officers and directors for rentals totaling \$2 million in 2002, \$2 million in 2001 and \$3 million in 2000.

Certain officers and directors are engaged in chicken and swine growout operations with the Company whereby these individuals purchase animals, feed, housing and other items to raise the animals to market weight. The total value of these transactions amounted to \$10 million in 2002, \$10 million in 2001 and \$11 million in 2000.

NOTE 15: INCOME TAXES

Detail of the provision for income taxes consists of:

	in millions		
	2002	2001	2000
Federal	\$ 173	\$ 50	\$ 73
State	17	5	5
Foreign	20	3	5
	\$ 210	\$ 58	\$ 83
Current	\$ 188	\$ 105	\$ 36

Deferred	22	(47)	47
	\$ 210	\$ 58	\$ 83

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The reasons for the difference between the effective income tax rate and the statutory U.S. federal income tax rate are as follows:

	2002	2001	2000
U.S. federal income tax rate	35.0%	35.0%	35.0%
Amortization of goodwill	-	6.5	4.3
State income taxes	3.0	2.1	1.4
Foreign sales corporation benefit	(1.4)	(6.2)	(5.2)
Other	(1.1)	(2.0)	0.1
	35.5%	35.4%	35.6%

The Company follows the liability method in accounting for deferred income taxes which provides that deferred tax liabilities are recorded at current tax rates based on the difference between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes referred to as temporary differences.

The tax effects of major items recorded as deferred tax assets and liabilities are:

	in millions			
	2002		2001	
	Deferred Tax		Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
Property, plant and equipment	\$ 5	\$ 417	\$ 9	\$ 412
Suspended taxes from conversion				
to accrual method	-	114	-	114
Intangible assets	1	64	-	90
Inventory	5	78	9	67
Accrued expenses	122	2	146	13
Acquired net operating loss carryforwards	69	-	71	-
All other	137	179	71	109
	\$ 339	\$ 854	\$ 306	\$ 805
Valuation allowance	(49)		(48)	
Net deferred tax liability		\$ 564		\$ 547

Net deferred tax liabilities are included in other current liabilities and deferred income taxes on the Consolidated Balance Sheets.

The suspended taxes from conversion to accrual method represents the 1987 change from the cash to accrual method of accounting and will be paid down by 2017.

The valuation allowance totaling \$49 million consists of \$13 million state tax carryforwards, which have been fully reserved, and \$36 million for net operating loss carryforwards. The state tax credit carryforwards expire in the years 2004 through 2008. At September 28, 2002, after considering utilization restrictions, the Company's acquired tax loss carryforwards approximated \$173 million. The net operating loss carryforwards, which are subject to utilization limitations due to ownership changes, may be utilized to offset future taxable income. These carryforwards expire during the years 2003 through 2021.

NOTE 16: EARNINGS PER SHARE

The weighted average common shares used in the computation of basic and diluted earnings per share were as follows:

	in millions, except per share data		
	2002	2001	2000
Numerator:			
Net Income	\$ 383	\$ 88	\$ 151
Denominator:			
Denominator for basic earnings per share - weighted average shares	348	221	225
Effect of dilutive securities:			
Stock options and restricted stock	7	1	1
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	355	222	226
Basic earnings per share	\$ 1.10	\$ 0.40	\$ 0.67
Diluted earnings per share	\$ 1.08	\$ 0.40	\$ 0.67

Approximately 6 million shares of the Company's option shares outstanding at September 28, 2002, were antidilutive and were not included in the dilutive earnings per share calculation for the year ended September 28, 2002. On September 28, 2001, the Company issued approximately 129 million shares for the remaining IBP shares. These shares were excluded from the fiscal 2001 weighted average share calculation along with the dilutive effect of acquired stock options and restricted shares.

NOTE 17: SEGMENT REPORTING

The Company operates in five business segments: Beef, Chicken, Pork, Prepared Foods and Other. The Company measures segment profit as operating income. The following information includes 52 weeks and nine weeks of IBP's operating results for the periods ending September 28, 2002, and September 29, 2001, respectively.

Beef segment is primarily involved in the slaughter of live fed cattle and fabrication of dressed beef carcasses into primal and sub-primal meat cuts and case-ready products. It also involves deriving value from allied products such as hides and variety meats for sale to further processors and others. The Beef segment markets its products to food retailers, distributors, wholesalers, restaurants and hotel chains and other food processors in domestic and international markets. Allied products are also marketed to manufacturers of pharmaceuticals and technical products.

Chicken segment includes fresh, frozen and value-added chicken products sold through domestic food service, domestic retail markets for at-home consumption, wholesale club markets targeted to small foodservice operations, small businesses and individuals, as well as specialty and commodity distributors who deliver to restaurants, schools and international markets throughout the world. The Chicken segment also includes sales from allied products and the Company's chicken breeding stock subsidiary.

Pork segment represents the Company's live swine group, hog slaughter and fabrication operations, case-ready products and related allied product processing activities. The Pork segment markets its products to food retailers, distributors, wholesalers, restaurants and hotel chains and other food processors in domestic and international markets. It also sells allied products to pharmaceutical and technical products manufacturers, as well as live swine to pork processors.

Prepared Foods segment includes the Company's operations that manufacture and market frozen and refrigerated food products. Products include pepperoni, beef and pork toppings, pizza crusts, flour and corn tortilla products, appetizers, hors d'oeuvres, desserts, prepared meals, ethnic foods, soups, sauces, side dishes, specialty pasta and meat dishes as well as branded and processed meats.

Other segment includes the logistics group and other corporate groups not identified with specific protein groups.

in millions

	Beef	Chicken	Pork	Prepared Foods	Other	Consolidated
Fiscal year ended September 28, 2002						
Sales	\$ 10,488	\$ 7,222	\$ 2,503	\$ 3,072	\$ 82	\$ 23,367
Operating income (loss)	220	428	25	158	56	887
Other expense						294
Income before income taxes and minority interest						593
Depreciation	80	226	26	48	51	431
Total assets	3,234	4,221	834	1,261	822	10,372
Additions to property, plant and equipment	82	229	19	53	50	433
Fiscal year ended September 29, 2001						
Sales	\$ 2,027	\$ 7,057	\$ 619	\$ 818	\$ 42	\$ 10,563
Operating income (loss)	32	250	27	15	(8)	316
Other expense						151
Income before income taxes and minority interest						165
Depreciation	15	214	5	22	38	294
Total assets	3,203	4,084	944	1,406	995	10,632
Additions to property, plant and equipment	19	176	4	26	36	261
Fiscal year ended September 30, 2000						
Sales	\$ -	\$ 6,767	\$ 157	\$ 292	\$ 52	\$ 7,268
Operating income	-	316	23	7	3	349
Other expense						115
Income before income taxes and minority interest						234
Depreciation	-	209	3	14	31	257
Total assets	-	4,016	101	180	544	4,841
Additions to property, plant and equipment	-	139	-	8	49	196

The majority of the Company's operations are domiciled in the United States. Approximately 94.0% of sales to external customers for fiscal 2002 were sourced from the United States and 97% were sourced from the United States in fiscal years ending 2001 and 2000. Approximately \$6.5 billion, \$6.6 billion and \$3.0 billion of long-lived assets were located in the United States at fiscal years ended 2002, 2001 and 2000, respectively. Approximately \$193 million, \$204 million and \$74 million of long-lived assets were located in foreign countries, primarily Mexico and Canada, at fiscal years ended 2002, 2001 and 2000, respectively.

The Company sells certain of its products in foreign markets, primarily Canada, China, European Union, Japan, Mexico, Puerto Rico, Russia, Taiwan and South Korea. The Company's export sales for 2002, 2001 and 2000 totaled \$2.0 billion, \$1.2 billion and \$550 million, respectively. Substantially all of the Company's export sales are transacted through unaffiliated brokers, marketing associations and foreign sales staffs. Foreign sales were less than 10% of total consolidated sales for 2002, 2001 and 2000, respectively.

NOTE 18: SUPPLEMENTAL INFORMATION

	in millions		
	2002	2001	2000
Cash paid during the period for:			
Interest	\$ 208	\$ 140	\$ 116
Income taxes	90	54	73

NOTE 19: QUARTERLY FINANCIAL DATA (UNAUDITED)

	in millions, except per share data			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2002				
Sales	\$ 5,865	\$ 5,839	\$ 5,902	\$ 5,761
Gross profit	510	397	464	446
Operating income	273	179	247	188
Net income	127	65	107	84
Basic earnings per share	0.36	0.19	0.31	0.24
Diluted earnings per share	0.36	0.18	0.30	0.24
2001				
Sales	\$ 1,769	\$ 1,857	\$ 1,917	\$ 5,020
Gross profit	182	137	198	386
Operating income	68	23	58	167
Net income (loss)	27	(6)	19	48
Basic earnings (loss) per share	0.12	(0.03)	0.09	0.22
Diluted earnings (loss) per share	0.12	(0.03)	0.09	0.22

The quarterly financial data above has been reclassified for the applications of EITF 00-14 and EITF 00-25 for fiscal 2001.

Third quarter 2002 gross profit includes \$30 million received as partial settlement from ongoing vitamin antitrust litigation. Fourth quarter 2002 operating income includes a \$22 million gain related to the sale of Specialty Brands and charges of \$27 million and \$26 million related to the Thomas E. Wilson brand write-down and live swine restructuring, respectively.

NOTE 20: CONTINGENCIES

Wage and Hour/ Labor Matters In 2000, the Wage and Hour Division of the U.S. Department of Labor (DOL) conducted an industry-wide investigation of poultry producers, including the Company, to ascertain compliance with various wage and hour issues. As part of this investigation, the DOL inspected 14 of the Company's processing facilities. On May 9, 2002, the Secretary of Labor filed a civil complaint against the Company in the U.S. District Court for the Northern District of Alabama. The complaint alleges that the Company violated the overtime provisions of the federal Fair Labor Standards Act at the Company's chicken-processing facility in Blountsville, Alabama. The complaint does not contain a definite statement of what acts constituted alleged violations of the statute. The Secretary seeks back wages for all employees at the Blountsville facility for a period of two years prior to the date of the filing of the Complaint, an additional amount in liquidated damages, and an injunction against future violations at that facility and all other facilities operated by the Company. The Company has filed its initial answer and discovery has commenced. The Company believes it has substantial defenses to the claims made in this case and intends to vigorously defend the case. However, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On June 22, 1999, 11 current and former employees of the Company filed the case of *M.H. Fox, et al. v. Tyson Foods, Inc. (Fox v. Tyson)* in the U.S. District Court for the Northern District of Alabama claiming the Company violated requirements of the Fair Labor Standards Act. The suit alleges the Company failed to pay employees for all hours worked and/or improperly paid them for overtime hours. The suit specifically alleges that (1) employees should be paid for time taken to put on and take off certain working supplies at the beginning and end of their shifts and breaks and (2) the use of "mastercard" or "line" time fails to pay employees for all time actually worked. Plaintiffs seek to represent themselves and all similarly situated current and former employees of the Company. At filing 159 current and/or former employees consented to join the lawsuit and, to date, approximately 5,000 consents have been filed with the court. Discovery in this case is ongoing. A hearing was held on March 6, 2000, to consider the plaintiff's request for collective action certification and court-supervised notice. No decision has been rendered. The Company believes it has substantial defenses to the claims made and intends to vigorously defend the case; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

Substantially similar suits have been filed against several other integrated poultry companies. In addition, organizing activity conducted by representatives or affiliates of the United Food and Commercial Workers Union against the poultry industry has encouraged worker participation in *Fox v. Tyson* and the other lawsuits.

On August 22, 2000, seven employees of the Company filed the case of *De Asencio v. Tyson Foods, Inc.* in the U.S. District Court for the Eastern District of Pennsylvania. This lawsuit is similar to *Fox v. Tyson* in that the employees claim violations of the Fair Labor Standards Act for allegedly failing to pay for time taken to put on, take off and sanitize certain working supplies, and violations of the Pennsylvania Wage Payment and Collection Law. Plaintiffs seek to represent themselves and all similarly situated current and former employees of the poultry processing plants in New Holland, Pennsylvania. Currently, there are approximately 500 additional current or former employees who have filed consents to join the lawsuit. The court, on January 30, 2001, ordered that notice of the lawsuit be issued to all potential plaintiffs at the New Holland facilities. On July 17, 2002, the court granted the plaintiffs' motion to certify the state law claims. The Company believes it has substantial defenses to the claims made and intends to defend the case vigorously; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On November 5, 2001, a lawsuit entitled *Maria Chavez, et al. vs. IBP, Lasso Acquisition Corporation and Tyson Foods, Inc.* was filed in the U.S. District Court for the Eastern District of Washington against IBP and Tyson by several employees of IBP's Pasco, Washington, beef slaughter and processing facility alleging various violations of the Fair Labor Standards Act, 29 U.S.C. Sections 201 - 219 (FLSA), as well as violations of the Washington State Minimum Wage Act, RCW chapter 49.46, Industrial Welfare Act, RCW chapter 49.12, and the Wage Deductions-Contribution-Rebates Act, RCW chapter 49.52. The lawsuit alleges IBP and/or Tyson required employees to perform unpaid work related to the donning and doffing of certain personal protective clothing, both prior to and after their shifts, as well as during meal periods. Plaintiffs further allege that similar prior litigation entitled *Alvarez, et al. vs. IBP*, which resulted in a \$3.1 million final judgment against IBP, supports a claim of collateral estoppel and/or is res judicata as to the issues raised

in this new litigation. IBP filed a timely Notice of Appeal and will vigorously pursue reversal of the Alvarez judgment before the Ninth Circuit Court of Appeals. Chavez initially was pursued as an opt-in, collective action under 29 U.S.C. 216(b), but on May 24, 2002, plaintiffs filed a motion seeking certification of a class of opt-out, state law plaintiffs under Federal Rule of Civil Procedure 23. On October 28, 2002, the U.S. District Court for the Eastern District of Washington granted plaintiffs' motion (Rule 23 Order), asserting supplemental jurisdiction over the state law wage and hour claims, and certifying the class. On November 6, 2002, IBP and Tyson timely filed a motion with the Ninth Circuit Court of Appeals seeking leave to appeal the District Court's Rule 23 Order.

Environmental Matters On January 15, 1997, the Illinois EPA brought suit in the Circuit Court for the 14th Judicial Circuit, Rock Island, Illinois, Chancery Division against IBP alleging that IBP's operations at its Joslin, Illinois, facility are violating the "odor nuisance" regulations enacted in the State of Illinois. IBP has already completed additional improvements at its Joslin facility to further reduce odors from this operation, but denies Illinois EPA's contention that its operations at any time amounted to a "nuisance." IBP is attempting to discuss these issues with the State of Illinois in an effort to reach a settlement.

The Company has been advised by the U.S. Attorney's office for the Western District of Missouri that the government intends to seek indictment of the Company for alleged violations of the Clean Water Act related to activities at its Sedalia, Missouri facility. The Company is presently in negotiations for a possible resolution of this matter. Although the amount of ultimate liability with respect to this matter cannot be determined at this time, the Company does not expect any material adverse effect on its consolidated financial position or results of operations..

On October 23, 2001, a putative class action lawsuit was filed in the District Court for Mayes County, Oklahoma, against the Company by R. Lynn Thompson and Deborah S. Thompson on behalf of all owners of Grand Lake O' the Cherokee's littoral (lake front) property. The suit alleges that the Company "or entities over which it has operational control" conduct operations in such a way as to interfere with the putative class action plaintiffs' use and enjoyment of their property, allegedly caused by diminished water quality in the lake. The Company believes the complaint allegations are unfounded and intends to vigorously defend the case.

On December 10, 2001, the City of Tulsa, Oklahoma and the Tulsa Metropolitan Utility Authority filed in the U.S. District Court for the Northern District of Oklahoma the case styled the *The City of Tulsa and the Tulsa Municipal Utility Authority v. Tyson Foods, Inc., et al.* against the Company, Cobb-Vantress, Inc., a wholly owned subsidiary of the Company, four other fully integrated poultry companies and the City of Decatur, Arkansas. With respect to the Company and Cobb-Vantress, Inc., the suit alleges that degradation of the Tulsa water supply is attributable, in whole or in part, to the non-point source run-off from the land application of poultry litter in the watershed feeding the lakes that act as the City of Tulsa's water supply, and that the Company and Cobb-Vantress, Inc. are, together with the other defendants named in the lawsuit, jointly and severally responsible for the alleged over application of poultry litter in the watershed. The Company believes that the allegations in the complaint are unfounded and intends to vigorously defend the case.

Securities Matters Between January and March 2001, a number of lawsuits were filed by certain stockholders in the U.S. District Court for the District of South Dakota and one suit filed in the U.S. District Court for the Southern District of New York seeking to certify a class of all persons who purchased IBP stock between February 7, 2000 and January 25, 2001. The plaintiff in the New York action has voluntarily dismissed and refiled its complaint in South Dakota, where the suits have been consolidated under the name *In re IBP, inc. Securities Litigation*. The complaints, seeking unspecified damages, allege that IBP and certain members of management violated Sections 10(b) and 20 (a) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and claims IBP issued materially false statements about IBP's financial results in order to inflate its stock price. IBP filed a Motion to Dismiss on December 21, 2001, which is now fully briefed and pending before the Court. IBP intends to vigorously contest these claims.

On or about June 6, 2001, IBP was advised the SEC had commenced a formal investigation related to the restatement of earnings made by IBP in March 2001, including matters relating to certain improprieties in the financial statements of DFG, a wholly-owned subsidiary. . The Company has been informed that three former employees of DFG received a so-called "Wells" notice advising them that the SEC had determined to recommend the initiation of an enforcement action and providing them an opportunity to provide their arguments against such an enforcement action. IBP is cooperating with this investigation.

IBP Stockholder and Merger Agreement Related Litigation Between October 2 and November 1, 2000, 14 class actions were filed in the Delaware Court of Chancery (the Delaware Court) against IBP, inc. and the members of the IBP Board of Directors. On November 13, 2000, these actions were consolidated as *In re IBP, inc. Shareholders Litigation*, C.A. No. 18373 (the Consolidated Action).

On March 29, 2001, the Company filed an action in the Chancery Court of Washington County, Arkansas, entitled *Tyson Foods, Inc., et al. v. IBP, inc.*, Case No. E 2001-749-4, alleging that the Company had been inappropriately induced to enter into a Merger Agreement with IBP dated January 1, 2001 (the Merger Agreement), and that IBP was in breach of various representations and warranties made in the Merger Agreement.

On March 30, 2001, IBP filed an answer to the amended consolidated complaint and a cross-claim (amended on April 2, 2001) against the

Company in the Consolidated Action. As amended, IBP's cross-claim sought a declaration that the Company could not rescind or terminate the Merger Agreement, specific enforcement of the Merger Agreement and damages for breach of a Confidentiality Agreement.

Following expedited discovery, the Delaware Court conducted a nine day trial, beginning on May 14, 2001, on IBP's and the plaintiffs' claims for specific performance with respect to the terminated cash tender offer and the Merger Agreement and the Company's counterclaims. On June 15, 2001, following expedited post-trial briefing, the Delaware Court issued a memorandum opinion, which was issued in revised form on June 18, 2001 (the Post-Trial Opinion), in which the Delaware Court concluded, among other things, that (1) the Merger Agreement is a valid and enforceable contract that was not induced by any material misrepresentation or omission, (2) the Company did not breach the Merger Agreement or any duty to IBP's stockholders by failing to close the terminated cash tender offer, (3) the Company did not have a basis to terminate the Merger Agreement under its terms, and (4) specific performance of the Merger Agreement was the only method by which to adequately redress the harm threatened to IBP and its stockholders.

After negotiations and in accordance with the Post-Trial Opinion, the Company and IBP presented an Order, Judgment and Decree to the Delaware Court, entered on June 27, 2001, requiring the Company and its affiliates to specifically perform the Merger Agreement as modified by, and subject to the conditions contained in, a Stipulation between the Company and IBP, including making a cash tender offer for 50.1% of IBP's shares and effecting the merger with IBP.

On August 3, 2001, the Delaware Court entered an order approving the settlement of the Consolidated Action and extinguished all claims that were or could have been asserted by the IBP stockholders in the Consolidated Action in exchange for, among other things, the acceleration of the closing of a new Cash Tender Offer to August 3, 2001.

On January 7, 2002, the Company filed a motion in the Delaware Court asking that court to vacate its Post-Trial Opinion on grounds of mootness or, in the alternative, to enter final judgment so that an appeal could be taken. The Delaware Court denied this motion on February 11, 2002, and the Company has appealed that decision, as well as the Post-Trial Opinion and certain earlier rulings by the Delaware Court, to the Delaware Supreme Court. Certain of the plaintiffs in the Delaware Federal Actions discussed below have filed a motion to dismiss the Company's appeal as untimely as to all matters except the Delaware Court's denial of the motion to vacate the Post-Trial Opinion. On July 24, 2002, the Delaware Supreme Court granted that partial motion to dismiss and directed that the balance of the appeal to go forward. Oral argument on the balance of the appeal has been scheduled for December 12, 2002.

On June 19, 2001, a purported Company stockholder commenced a derivative action in the Delaware Court entitled *Alan Shapiro v. Barbara R. Allen, et al.*, C.A. No. 18967-NC seeking monetary damages on behalf of the Company, a nominal defendant, from the members of the Company's Board of Directors. The complaint alleges the directors violated their fiduciary duties by attempting to terminate the Merger Agreement. On July 17, 2001, the defendants moved to dismiss the complaint. On August 16, 2002, the plaintiff filed an Amended Complaint, and on September 3, 2002, the defendants renewed their motion to dismiss. A hearing on the defendants' motion to dismiss has been scheduled for December 17, 2002. The defendants intend to vigorously defend these claims.

Between June 22 and July 20, 2001, various plaintiffs commenced actions (the Delaware Federal Actions) against the Company, Don Tyson, John Tyson and Les Baledge in the U.S. District Court for the District of Delaware, seeking monetary damages on behalf of a purported class of those who sold IBP stock or traded in certain IBP options from March 29, 2001, when the Company announced its intention to terminate the Merger Agreement with IBP, and June 15, 2001, when the Delaware Court rendered its Post-Trial Opinion in the Consolidated Action. The actions, entitled *Meyer v. Tyson Foods, Inc., et al.*, C.A. No. 01-425 SLR; *Banyan Equity Mgt. v. Tyson Foods, Inc., et al.*, C.A. No. 01-426 GMS; *Steiner v. Tyson Foods, Inc., et al.*, C.A. No. 01-462 GMS; *Aetos Corp., et al. v. Tyson, et al.*,

C.A. No. 01-463 GMS; *Meyers, et al. v. Tyson Foods, Inc., et al.*, C.A. No. 01-480; *Binsky v. Tyson Foods, Inc., et al.*, C.A. No. 01-495; *Management Risk Trading LP v. Tyson Foods, Inc., et al.*, C.A. No. 01-496; and *Stark Investments, L.P., et al. v. Tyson et al.*, C.A. No. 01-565 allege that the defendants violated federal securities laws by making, or causing to be made, false and misleading statements in connection with the Company's attempted termination of the Merger Agreement. The various actions were subsequently consolidated under the caption *In re Tyson Foods, Inc. Securities Litigation*. On December 4, 2001, the plaintiffs in the consolidated action filed a Consolidated Class Action Complaint. The plaintiffs allege that, as a result of the defendants' alleged conduct, the purported class members were harmed. On January 22, 2002, the defendants filed a motion to dismiss the consolidated complaint. By memorandum order dated October 23, 2002, the court granted in part and denied in part the defendants' motion to dismiss. The defendants intend to vigorously defend the remaining claims.

In December 2001, a stockholder derivative lawsuit was filed in the Court of Chancery of the state of Delaware against the Company's Board of Directors and nominally, the Company. The complaint concerns the alleged violations of immigration laws that are the subject of the indictment by the U.S. Department of Justice (see below). In general, the complaint alleges that the members of the Company's Board failed to exercise reasonable control and supervision over the Company's employees and processes, implement adequate internal controls, adequately inform themselves, or take adequate and good faith remedial actions with respect to the Company's immigration practices and matters giving rise to the indictment. The complaint seeks unspecified damages against the individual Board members; no relief is sought against the

Company. The Company and members of its Board have filed a motion to dismiss in the Chancery Court of Delaware and intend to vigorously defend these claims.

General Matters On or around February 15, 2002, the Company learned that a processing facility owned by Zemco Industries, Inc., a subsidiary of IBP, is the subject of an investigation by the U.S. Attorney's office in Bangor, Maine, into allegedly improper testing and recording practices. The Company acquired Zemco as part of the Company's acquisition of IBP on September 28, 2001. Zemco has responded to grand jury subpoenas and is cooperating fully with the U.S. Attorney's office. Neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this matter can be determined at this time.

In December 2001, the Company, two current employees and four former employees were indicted in the U. S. District Court in the Eastern District of Tennessee. The indictment alleges these six employees conspired to violate and did violate immigration laws involving approximately 15 named individuals at one of the Company's poultry processing facilities. The indictment also alleges that the Company utilized the services of temporary employment agencies in furtherance of the alleged conspiracy. The indictment seeks fines and forfeiture of amounts not specified. Trial for this matter is expected in February 2003. The Company intends to vigorously defend this indictment and believes it has meritorious defenses to the government's theories of recovery; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

Consistent with the forfeiture theory advanced in the indictment referred to above, private plaintiffs filed the following three lawsuits.

On April 10, 2002, plaintiffs filed *Trollinger, et al. vs. Tyson Foods, Inc.*, No. 4:02-cv-23 (E.D. Tenn.) in the U.S. District Court for the Eastern District of Tennessee (Winchester Division), a purported class-action lawsuit against Tyson, on behalf of all current and former employees of 15 named Tyson facilities who had been legally authorized to work in the United States. The complaint in that action asserts a claim against Tyson under the Racketeer Influence and Corrupt Organizations (RICO) statute. The complaint alleges that Tyson engaged in a scheme to depress its employees' wages by hiring illegal aliens and seeks unspecified trebled-damages. The Company has moved to dismiss the complaint. On July 17, 2002, the court granted the Company's Motion to Dismiss the case for failure to state a claim upon which relief could be granted. Plaintiffs have filed a Notice of Appeal. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On March 6, 2002, plaintiffs filed *Baker, et al. vs. IBP, inc.*, C.A. No. 02-4019 (C.D. Ill) in the U.S. District Court for the Central District of Illinois (Rock Island Division), a purported class-action lawsuit, on behalf of all current and former employees of IBP's Joslin, Illinois, facility who had been legally authorized to work in the United States. The complaint asserts a claim against IBP under the RICO

statute. The complaint alleges that IBP engaged in a scheme to depress its employees' wages by hiring illegal aliens and seeks unspecified trebled-damages. The Company has moved to dismiss the complaint. On October 21, 2002, the court granted the Company's Motion to Dismiss the case for failure to state a claim upon which relief could be granted. Plaintiffs have filed a Notice of Appeal. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On April 17, 2002, plaintiff Cynthia Cruz filed *Cruz vs. Tyson Foods, Inc.*, C.A. No. 02 C 2761 (N.D. Ill.), a purported class-action lawsuit against Tyson and others on behalf of all persons with Hispanic surnames whose identities and social security numbers were allegedly "stolen" and misused by the named defendants. The complaint asserts a claim under the RICO statute, a claim for violation of the federal civil rights statute, and common-law claims for defamation, violation of privacy and property rights, fraud, and tortious interference with contract. As of this date, the Company has moved to dismiss this action, with briefing to be completed during December 2002. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

In July 1996, a lawsuit was filed against IBP by certain cattle producers in the U.S. District Court, Middle District of Alabama, seeking certification of a class of all cattle producers. The complaint alleges that IBP has used its market power and alleged "captive supply" agreements to reduce the prices paid to producers for cattle. Plaintiffs have disclosed that, in addition to declaratory relief, they seek actual and punitive damages. The original motion for class certification was denied by the Court; plaintiffs then amended their motion, defining a narrower class consisting of only those cattle producers who sold cattle directly to IBP from 1994 through the date of certification. The Court approved this narrower class in April 1999. The 11th Circuit Court of Appeals reversed the District Court decision to certify a class on the basis that there were inherent conflicts amongst class members preventing the named plaintiffs from providing adequate representation to the class. The plaintiffs then filed pleadings seeking to certify an amended class. The Court denied the plaintiffs' motion on October 17, 2000. Plaintiffs' motion for reconsideration of the judge's decision was denied, and plaintiffs then asked the Court to certify a class of cattle producers who have sold exclusively to IBP on a cash market basis, which the Court granted in December 2001. In January 2002, IBP filed a petition with the 11th Circuit Court of Appeals seeking permission to appeal the class certification decision, which the Circuit Court of Appeals denied on March 5, 2002. The District Court has set a schedule for completing the format of the class notice mailing. No trial date has been set. IBP has filed

motions for summary judgment on both liability and damages filed with the District Court, which are now pending. Plaintiffs have claimed damages in the case in excess of \$500,000,000. Management believes IBP has acted properly and lawfully in its dealings with cattle producers and intends to vigorously defend this case. However, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On August 8, 2000, the Company was served with a complaint filed in the U.S. District Court for the District of Arizona styled *Lemelson Medical, Education & Research Foundation, Limited Partnership v. Alcon Laboratories, et al.*, CIV00-0661 PHX PGR. The plaintiff sued the Company, along with approximately 100 other defendants in the food, beverage, drug, cosmetic and tobacco industries, claiming that the defendants infringed various patents held by the Foundation. The alleged patent infringement is based on the defendants' alleged use of the Foundation's automatic identification patents that relate to the use of bar coding and/or the Foundation's patents that relate to machine vision. The Foundation seeks treble damages for the defendants' alleged infringement. The case is currently stayed pending the resolution of related litigation. Neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

On September 12, 2002, 82 individual plaintiffs filed *Michael Archer, et al. v. Tyson Foods, Inc. and The Pork Group, Inc.*, CIV 2002-497, in the Circuit Court of Pope County, Arkansas. On August 18, 2002, the Company announced a restructuring of its live swine operations which, among other things, will result in the discontinuance of relationships with 132 contract hog producers, including the plaintiffs. In their complaint, the plaintiffs allege that the Company committed fraud and should be promissorily estopped from terminating the parties' relationship. The plaintiffs seek compensatory and punitive damages in an unspecified amount. The Company has filed a motion to Stay All Proceedings and Compel Arbitration. The plaintiffs have responded to the Motion to Compel. Discovery has not begun. The Company intends to vigorously defend these claims; however, neither the likelihood of an unfavorable outcome nor the amount of ultimate liability, if any, with respect to this case can be determined at this time.

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The Company is pursuing various antitrust claims relating to vitamins, methionine and choline. In the third quarter of 2002 the Company received approximately \$30 million in partial settlement of these claims. The Company has received, or expects to receive under signed settlement arrangements, further settlements of approximately \$26 million in the first quarter of 2003. Additional settlements are anticipated. Amounts received for these claims are recorded as income only upon receipt of settlement proceeds.

Other Matters The Company is subject to other lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of its business. While the ultimate results of these matters cannot be determined, they are not expected to have a material adverse effect on the Company's consolidated results of operations or financial position.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

See information set forth under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement, which information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

See the information set forth under the captions "Executive Compensation and Other Information" and "Report of Compensation Committee" in the Proxy Statement, which information is incorporated herein by reference. Pursuant to general instruction G(3) of the instructions to Annual Report on Form 10-K, certain information concerning the Company's executive officers is included under the caption "Executive Officers of the Company" in Part I of this Report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

See the information included under the captions "Principal Shareholders" and "Security Ownership of Management" in the Proxy Statement, which information is incorporated herein by reference.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth additional information as of September 28, 2002, about shares of our Class A Common Stock that may be issued upon the exercise of options and other rights under our existing equity compensation plans and arrangements, divided between plans approved by our stockholders and plans or arrangements not submitted to the stockholders for approval.

Plan Category	(a) Number of Securities to be issued upon exercise of outstanding options, warrants and rights (1)	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)).
Equity compensation plans approved by security holders	11,977,621	\$13.3724	10,536,762
Equity compensation plans not approved by security holders	-0-	-0-	-0-
Total	11,977,621	\$13.3724	10,536,762

(1) This table does not include 5,051,865 options, warrants or rights, with a weighted-average exercise price of \$8.7816, which were assumed in connection with our acquisition of IBP, inc.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

See the information included under the caption "Certain Transactions" in the Proxy Statement, which information is incorporated herein by reference.

PART IV

ITEM 14. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chairman and Chief Executive Officer and its Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures," which are defined under SEC rules as controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Based upon that evaluation, the Company's Chairman and Chief Executive Officer and its Executive Vice President and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

(b) Changes in Internal Controls

There were no significant changes in the Company's internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation.

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as a part of this report:

Consolidated Statements of Income
for the three years ended September 28, 2002
Consolidated Balance Sheets at
September 28, 2002 and September 29, 2001
Consolidated Statements of Shareholder's Equity
for the three years ended September 28, 2002
Consolidated Statements of Cash Flows
for the three years ended September 28, 2002
Notes to Consolidated Financial Statements
Report of Independent Auditors
Schedule II Valuation and Qualifying
Accounts for the three years ended
September 28, 2002

All other schedules are omitted because they are neither applicable nor required.

The exhibits filed with this report are listed in the Exhibit Index at the end of the Item 15.

(b) Reports on Form 8-K

Report on Form 8-K, dated October 3, 2001, with respect to the completion of the merger between the Company and IBP, inc.

Report on Form 8-K, dated March 11, 2002, with respect to the ratio of earnings to fixed charges calculation.

Report on Form 8-K, dated August 13, 2002, with respect to submission to the SEC sworn statements by the Chairman and Chief Executive Officer, John Tyson, and the Executive Vice President and Chief Financial Officer, Steven Hankins, pursuant to Securities and Exchange Commission Order No. 4-460.

EXHIBIT INDEX

Exhibit No.		Pages
2.1	Agreement and Plan of Merger dated as of January 1, 2001, among the Company, IBP, inc. and Lasso Acquisition Corporation (previously filed as Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).	
3.1	Restated Certificate of Incorporation of the Company (previously filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 1998, Commission File No. 0-3400, and incorporated herein by reference).	
3.2	Second Amended and Restated Bylaws of the Company (previously filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended January 1, 2000, Commission File No. 0-3400, and incorporated herein by reference).	
4.1	Form of Indenture between the Company and The Chase Manhattan Bank, N.A., as Trustee (the "Company	

Indenture") relating to the issuance of Debt Securities (previously filed as Exhibit 4 to Amendment No. 1 to Registration Statement on Form S-3, filed with the Commission on May 8, 1995, Registration No. 33-58177, and incorporated herein by reference).

- 4.2 Form of 6.75% \$150 million Note due June 1, 2005 issued under the Company Indenture (previously filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995, Commission File No. 0-3400, and incorporated herein by reference).
- 4.3 Form of Fixed Rate Medium-Term Note issued under the Company Indenture (previously filed as Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the Commission on July 20, 1995, Commission File No. 0-3400, and incorporated herein by reference).
- 4.4 Form of Floating Rate Medium-Term Note issued under the Company Indenture (previously filed as Exhibit 4.3 to the Company's Current Report on Form 8-K, filed with the Commission on July 20, 1995, Commission File No. 0-3400, and incorporated herein by reference).
- 4.5 Form of Calculation Agent Agreement relating to the Medium Term Notes issued under the Company Indenture (previously filed as Exhibit 4.4 to the Company's Current Report on Form 8-K, filed with the Commission on July 20, 1995, Commission File No. 0-3400, and incorporated herein by reference).
- 4.6 Amended and Restated Note Purchase Agreement, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement, together with the following documents (all purchasers and series issued under this agreement have been repaid except the Series G Notes with John Hancock Mutual Life Insurance Company):

(a) Form of Series G Note

(previously filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the period ended July 3, 1993, Commission File No. 0-3400, and incorporated herein by reference).

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- 4.7 Amendment Agreement, dated November 1, 1994, to Amended and Restated Note Purchase Agreements, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement (John Hancock Mutual Life Insurance Company is only remaining Purchaser with notes outstanding) (previously filed as Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the period ended December 31, 1994, Commission File No. 0-3400, and incorporated herein by reference).
 - 4.8 Second Amendment Agreement, dated as of June 29, 1996, to Amended and Restated Note Purchase Agreements, dated June 30, 1993, by and between the Company and various Purchasers as listed in the Purchaser Schedule attached to said agreement (John Hancock Mutual Life Insurance Company is only remaining Purchaser with notes outstanding) (previously filed as Exhibit 4.8 to the Company's Annual Report on Form 10-K for the fiscal year ended September 28, 1996, Commission File No. 0-3400, and incorporated herein by reference).
 - 4.9 Third Amendment Agreement dated as of May 2, 2001, to Amended and Restated Note Purchase Agreements, dated June 30, 1993, by and between the Company and John Hancock Mutual Life Insurance Company (previously filed as Exhibit 4.9 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
 - 4.10 Form of 7.0% \$200 million Note due May 1, 2018 issued under the Company Indenture (previously filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 28, 1998, Commission File No. 0-3400, and incorporated herein by reference).

- 4.11 Form of 7.0% \$40 million Note due May 1, 2018 issued under the Company Indenture (previously filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 28, 1998, Commission File No. 0-3400, and incorporated herein by reference).
- 4.12 Supplemental Indenture between the Company and The Chase Manhattan Bank, N.A., as Trustee, dated as of October 1, 2004, supplementing the Company Indenture and relating to the issuance of the Company's \$500 million 6.625% Notes due 2004, together with form of 6.625% Note (previously filed as Exhibit 4.12 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 4.13 Supplemental Indenture between the Company and The Chase Manhattan Bank, N.A., as Trustee, dated as of October 2, 2001, supplementing the Company Indenture and relating to the issuance of the Company's \$750 million 7.250% Notes due 2006, together with form of 7.250% Note (previously filed as Exhibit 4.13 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 4.14 Supplemental Indenture between the Company and The Chase Manhattan Bank, N.A., as Trustee, dated as of October 2, 2001, supplementing the Company Indenture and relating to the issuance of the Company's \$1 billion 8.250% Notes due 2011, together with form of 8.250% Note (previously filed as Exhibit 4.14 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).

- 4.15 Indenture, dated January 26, 1996, between IBP, inc. ("IBP") and The Bank of New York (the "IBP Indenture") (previously filed as Exhibit 4 to IBP's Registration Statement on Form S-3, filed with the Commission on November 20, 1995, Commission File No. 33-64459, and incorporated herein by reference).
- 4.16 Form of Senior Note issued under the IBP Indenture for the issuance of (a) \$100 million 6.125% Senior Notes due February 1, 2006, (b) \$100 million 7.125% Senior Notes due February 1, 2026 and (c) \$300 million 7.95% Senior Notes due February 1, 2010 (previously filed as Exhibit 4.16 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 4.17 Form of \$125 million 7.45% Senior Note due June 1, 2007 issued under the IBP Indenture (previously filed as Exhibit 4.17 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 4.18 First Supplemental Indenture, dated as of September 28, 2001, among the Company, Lasso Acquisition Corporation and The Bank of New York, pursuant to which the Company guaranteed the Notes issued under the IBP Indenture (previously filed as Exhibit 4.18 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 10.1 Amended and Restated 364-Day Credit Agreement dated as of June 12, 2002, among Tyson Foods, Inc., the several banks and other financial institutions and entities from time to time parties thereto, Merrill Lynch Capital Corporation, as Syndication Agent, SunTrust Bank, Mizuho Financial Group and Rabobank International, as Documentation Agents, and JPMorgan Chase Bank, as Administrative Agent (previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2000, Commission File No. 0-3400, and incorporated herein by reference).
- 10.2 Five-Year Credit Agreement, dated as of September 24, 2001, by and among the Company, as Borrower,

The Chase Manhattan Bank, as Administrative Agent, Merrill Lynch Capital Corporation, as Syndication Agent, Suntrust Bank, as Documentation Agent, Mizuho Financial Group and Rabobank International, as Co-Documentation Agents and certain lenders parties thereto (previously filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).

10.3 Amendment Agreement, dated as of April 3, 2002, to the Company's Five-Year Credit Agreement, dated as of September 24, 2001, by and among the Company, as Borrower, The Chase Manhattan Bank, as Administrative Agent, Merrill Lynch Capital Corporation, as Syndication Agent, Suntrust Bank, as Documentation Agent, Mizuho Financial Group and Rabobank International, as Co-Documentation Agents and certain lenders parties thereto (previously filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the period ended March 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).

10.4 Amendment, dated June 12, 2002, to Five Year Five-Year Credit Agreement dated as of September 24, 2001, among Tyson Foods, Inc., the several banks and other financial institutions and entities from time to time parties thereto, Merrill Lynch Capital Corporation, as Syndication Agent, SunTrust Bank, as Documentation Agent, Mizuho Financial Group and Rabobank International, as Co-Documentation Agents, and JPMorgan Chase Bank, as Administrative Agent (previously filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2000, Commission File No. 0-3400, and incorporated herein by reference).

10.5 Three-Year Credit Agreement dated as of June 12, 2002, among Tyson Foods, Inc., the several banks and other financial institutions and entities from time to time parties thereto, Merrill Lynch Capital Corporation, as Syndication Agent, SunTrust Bank, Mizuho Financial Group and Rabobank International, as Documentation Agents, and JPMorgan Chase Bank, as Administrative Agent (previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2000, Commission File No. 0-3400, and incorporated herein by reference).

10.6 Receivables Transfer Agreement, as amended and restated as of August 16, 2002, by and among Tyson Receivables Corporation, as Transferor, the Company, as Collection Agent and Guarantor, JP Morgan Chase Bank, as Administrative Agent and certain other persons that are parties thereto as CP Conduit Purchasers, Committed Purchasers and Funding Agents (attached). 78-235

10.7 Receivables Purchase Agreement, executed in connection with the Receivables Transfer Agreement described in item 10.1 immediately above, among the Company and certain subsidiaries of the Company, as Sellers and Tyson Receivables Corporation, as Purchaser (attached). 236-270

10.8 Issuing and Paying Agency Agreement dated as of January 12, 2001, between the Company and The Chase Manhattan Bank (previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).

10.9 Commercial Paper Dealer Agreement dated as of January 12, 2001, between the Company and Banc of America Securities LLC (previously filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).

10.10 Commercial Paper Dealer Agreement dated as of January 12, 2001, between the Company and Credit Suisse First Boston Corporation (previously filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).

- 10.11 Commercial Paper Dealer Agreement dated as of January 12, 2001, between the Company and Merrill Lynch Money Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith (previously filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).
- 10.12 Commercial Paper Dealer Agreement dated as of January 12, 2001, between the Company and SunTrust Equitable Securities Corporation (previously filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).
- 10.13 Commercial Paper Dealer Agreement dated as of January 12, 2001, between the Company and J.P. Morgan Securities, Inc. (previously filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).
- 10.14 Commercial Paper Dealer Agreement dated as of January 12, 2001, between the Company and Chase Securities Inc. (previously filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the period ended December 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).

- 10.15 Senior Advisor Agreement, dated October 19, 2001, by and between Don Tyson and the Company (previously filed as Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 10.16 Senior Advisor Agreement, dated October 1, 2001, by and between Robert L. Peterson and the Company (previously filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 10.17 Employment Agreement, dated as of October 1, 2001, by and between John Tyson and the Company (previously filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 10.18 Employment Agreement, dated as of September 28, 2001, by and between Richard Bond and the Company (previously filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 10.19 Employment Agreement, dated as of October 1, 2001, by and between Greg Lee and the Company (previously filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 10.20 Form of Employment Agreement used for all other Executive Officers of the Company, including named executive officers whose contracts are not specifically referenced above (previously filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2001, Commission File No. 0-3400, and incorporated herein by reference).
- 10.21 Senior Executive Employment Agreement dated November 20, 1998 between the Company and Leland E. Tollett (previously filed as Exhibit 10.20 to the Company's Annual Report on Form 10K for the fiscal year ended October 3, 1998, Commission File No. 0-3400, and incorporated herein by reference).
- 10.22 Senior Executive Employment Agreement dated November 20, 1998 between the Company and Donald E. Wray (previously filed as Exhibit 10.21 to the Company's Annual Report on Form 10K for the fiscal year

ended October 3, 1998, Commission File No. 0-3400, and incorporated herein by reference).

- 10.23 Tyson Foods, Inc. Senior Executive Performance Bonus Plan adopted November 18, 1994 (previously filed as Exhibit 10(k) to the Company's Annual Report on Form 10-K for the fiscal year ended October 1, 1994, Commission File No. 0-3400, and incorporated herein by reference).
- 10.24 Tyson Foods, Inc. Restricted Stock Bonus Plan, effective August 21, 1989, as amended and restated on April 15, 1994; and Amendment to Restricted Stock Bonus Plan effective November 18, 1994 (previously filed as Exhibit 10(l) to the Company's Annual Report on Form 10-K for the fiscal year ended October 1, 1994, Commission File No. 0-3400, and incorporated herein by reference).
- 10.25 Tyson Foods, Inc. Amended and Restated Employee Stock Purchase Plan, dated as of December 13, 1999 (previously filed as Exhibit 10.12 to the Company's Form 10-K for the fiscal year ended October 2, 1999, Commission File No. 0-3400, and incorporated herein by reference).

- 10.26 Amended and Restated Executive Savings Plan of Tyson Foods, Inc. effective October 1, 1997, and First Amendment to the Amended and Restated Executive Savings Plan of Tyson Foods, Inc. effective December 31, 1998 (previously filed as exhibit 10.15 to the Company's Form 10-K for the fiscal year ended October 2, 1999, Commission File No. 0-3400, and incorporated herein by reference).
- 10.27 Tyson Foods, Inc. Non-statutory Stock Option Plan of 1982, as amended and restated on November 18, 1994, (previously filed as Exhibit 99 to the Company's Registration Statement of Form S-8 filed with the Commission on January 30, 1995, Commission File No. 33-54716, and incorporated herein by reference).
- 10.28 Tyson Foods, Inc. 2000 Stock Incentive Plan dated August 11, 2000 (previously filed as exhibit 10.19 to the Company's Form 10-K for the fiscal year ended September 30, 2000, Commission File No. 0-3400, and incorporated herein by reference).
- 10.29 IBP 1987 Stock Option Plan (previously filed as Exhibit No. 28(a) to IBP's Registration Statement on Form S-8, dated January 5, 1988, File No. 33-19441 and incorporated herein by reference).
- 10.30 IBP Officer Long-Term Stock Plan (previously filed as Exhibit No. 10.5.3 to IBP's Annual Report on Form 10-K for the fiscal year ended December 25, 1993, File No. 1-6085 and incorporated herein by reference).
- 10.31 IBP Directors Stock Option Plan (previously filed as Exhibit No. 10.5.4 to IBP's Annual Report on Form 10-K for the fiscal year ended December 25, 1993, File No. 1-6085 and incorporated herein by reference).
- 10.32 IBP 1993 Stock Option Plan (previously filed as Exhibit No. 10.5.5 to IBP's Annual Report on Form 10-K for the fiscal year ended December 25, 1993, File No. 1-6085 and incorporated herein by reference).
- 10.33 1996 Officer Long-Term Stock Plan (previously filed as Exhibit No. 10.5.6 to IBP's Annual Report on Form 10-K for the fiscal year ended December 28, 1996, File No. 1-6085 and incorporated herein by reference).
- 10.34 IBP 1996 Stock Option Plan (previously filed as Exhibit 10.5.7 to IBP's Annual Report on Form 10-K for the fiscal year ended December 28, 1996, File No. 1-6085 and incorporated herein by reference).
- 10.35 Text of Retirement Income Plan of IBP, inc. (as amended and Restated Effective as of January 1, 1992), as amended (previously filed as Exhibit No. 10.28 to IBP's Annual Report on Form 10-K for the fiscal year

ended December 26, 1992, File No. 1-6085 and incorporated herein by reference).

- 10.36 Form of Indemnity Agreement between Tyson Foods, Inc. and its directors and certain of its executive officers (previously filed as Exhibit 10(t) to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1995, Commission File No. 0-3400, and incorporated herein by reference).
- 10.37 Form of IBP's Indemnification Agreement with officers and directors (previously filed as Exhibit No. 10.8 to IBP's Registration Statement on Form S-1, dated August 19, 1987, File No. 1-6085 and incorporated hereby by reference).

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- 21 Subsidiaries of the Company. 271-275
- 99.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. 276
- 99.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. 277

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SIGNATURES

Pursuant to requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TYSON FOODS, INC.

By: /s/ Steven Hankins
Steven Hankins
Executive Vice President
and Chief Financial Officer

November 27, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<u>/s/ Barbara Allen</u> Barbara Allen	Director	November 27, 2002
<u>/s/ Richard L. Bond</u> Richard L. Bond	Director, Co-Chief Operating Officer and Group President, Fresh Meats and Retail	November 27, 2002
<u>/s/ Lloyd V. Hackley</u> Lloyd V. Hackley	Director	November 27, 2002
<u>/s/ Steven Hankins</u> Steven Hankins	Executive Vice President and Chief Financial Officer	November 27, 2002
<u>/s/ Gerald Johnston</u> Gerald Johnston	Director	November 27, 2002
<u>/s/ David A. Jones</u> David A. Jones	Director	November 27, 2002
<u>/s/ Jim Keever</u> Jim Keever	Director	November 27, 2002
<u>/s/ Shelby D. Massey</u> Shelby D. Massey	Director	November 27, 2002
<u>/s/ Robert L. Peterson</u> Robert L. Peterson	Director	November 27, 2002
<u>/s/ Rodney S. Pless</u> Rodney S. Pless	Senior Vice President, Controller and Chief Accounting Officer	November 27, 2002
<u>/s/ Jo Ann R. Smith</u> Jo Ann R. Smith	Director	November 27, 2002
<u>/s/ Joe F. Starr</u> Joe F. Starr	Director	November 27, 2002
<u>/s/ Leland E. Tollett</u> Leland E. Tollett	Director	November 27, 2002
<u>/s/ Barbara A. Tyson</u> Barbara A. Tyson	Director	November 27, 2002
<u>/s/ Don Tyson</u> Don Tyson	Director	November 27, 2002
<u>/s/ John H. Tyson</u> John H. Tyson	Chairman of the Board of Directors and Chief Executive Officer	November 27, 2002
<u>/s/ Donald E. Wray</u> Donald E. Wray	Director	November 27, 2002

CERTIFICATIONS

I, John Tyson, Chairman and Chief Executive Officer of Tyson Foods, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Tyson Foods, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 27, 2002

/s/ John Tyson
John Tyson
Chairman and Chief Executive Officer

I, Steven Hankins, Executive Vice President and Chief Financial Officer of Tyson Foods, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Tyson Foods, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 27, 2002

/s/ Steven Hankins
Steven Hankins
Executive Vice President and Chief Financial Officer

REPORT OF INDEPENDENT AUDITORS

We have audited the accompanying consolidated balance sheets of Tyson Foods, Inc. as of September 28, 2002 and September 29, 2001, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended September 28, 2002. Our audits also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit

includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the consolidated financial position of Tyson Foods, Inc. at September 28, 2002 and September 29, 2001, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 28, 2002, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Little Rock, Arkansas
November 11, 2002

/s/ERNST & YOUNG LLP
ERNST & YOUNG LLP

**FINANCIAL STATEMENT SCHEDULE
TYSON FOODS, INC.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS**

Three Years Ended September 28, 2002

in millions

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Additions (Deductions)	Balance at End of Period
Allowance for Doubtful Accounts					
2002	\$ 27	\$ 2	\$ -	\$ (3)	\$ 26
2001	\$ 17	\$ 2	\$ -	\$ 8 (1)	\$ 27
2000	\$ 22	\$ 25(2)	\$ -	\$ (30)(2)	\$ 17

(1) Includes \$14 million reserve due to IBP acquisition

(2) Includes \$24 million reserve related to the January 31, 2000 bankruptcy filing by AmeriServe Food Distribution Inc.

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Exhibit 21 - Subsidiaries of Tyson Foods, Inc.

<u>Entity Name</u>	<u>Place of Incorporation</u>
<u>TYSON FOODS, INC.</u>	Delaware
AAFC International, Inc.	U.S. Virgin Islands
Global Employment Services, Inc.	Delaware
Gorges Foodservice, Inc.	Texas
National Comp Care, Inc.	Delaware
Oaklawn Capital Corporation	Delaware
Oaklawn Capital-Mississippi, L.L.C.	Mississippi
The Pork Group, Inc.	Delaware
TyNet Corporation	Delaware
Tyson Breeders, Inc.	Delaware
Tyson Export Sales, Inc.	U.S. Virgin Islands
Tyson Foreign Sales, Inc.	Barbados
Tyson International Company, Ltd.	Bermuda
Tyson Marketing, Ltd.	Ontario, Canada
Tyson Mexican Original, Inc.	Delaware
Tyson Poultry, Inc.	Delaware
Tyson Receivables Corporation	Delaware
Tyson Sales and Distribution, Inc.	Delaware
Tyson Seafood Group-Japan, Inc.	Japan
Tyson Shared Services, Inc.	Delaware
Universal Plan Investments	Hong Kong
World Resource, Inc.	Delaware
<u>TYSON CHICKEN, INC. (Subsidiary of Tyson Foods, Inc.)</u>	Delaware
Hudson Foods Foreign Sales, Inc.	U.S. Virgin Islands
Meat Products Exports, Inc.	U.S. Virgin Islands
Hudson Midwest Foods, Inc.	Nebraska

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TYSON FARMS, INC. (Subsidiary of Tyson Foods, Inc.)

Nacrail, LLC	Delaware
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**TYSON INTERNATIONAL
HOLDING COMPANY (Subsidiary
of Tyson Foods, Inc.)**

Benton Sales, Ltd.	Delaware
Oaklawn Sales, Ltd.	British Virgin Islands Corporation
T-PM Holding Company	British Virgin Islands Corporation
Shandong Tyson-Da Long Food Company, Ltd.	Delaware
	China

**IBP, inc. (Subsidiary of Tyson Foods,
Inc.)**

The Bruss Company	Delaware
Tyson Processing Services, Inc.	Illinois
IBP Finance Company of Canada	Delaware
The IBP Foods Co.	Nova Scotia
IBP Foreign Sales Corporation	Delaware
IBP Hog Markets, Inc.	Guam
IBP Redevelopment Corporation	Delaware
IBP Service Center Corp.	Missouri
IBP of Wisconsin, Inc.	Delaware
Madison Foods, Inc.	Delaware
PBX, inc.	Delaware
Rural Energy Systems, Inc.	Delaware
Texas Transfer, Inc.	Texas

**Lakeside Farm Industries, Ltd.
(Subsidiary of IBP, inc.)**

Lakeside Feeders Ltd.	Canada
	Alberta, Canada

**IBP Carribean, Inc. (Subsidiary of
IBP, inc.)**

Mainstream Holding Limited	Cayman Islands
Shanghai DCH Jinshan Company Ltd.	Hong Kong
	China

**IBP Branded Foods, Inc. (Subsidiary
of Foodbrands America, inc.)**

Delaware

CBFA Management Corp.	Delaware
IHC Acquisition Corp.	Delaware
Iowa Ham Canning, Inc.	Iowa
Jac Pac Foods, Ltd.	Delaware
Houston Processing I, Inc.	Delaware
Houston Processing II, Inc.	Texas
ITC, LLC	Oklahoma
International Trading Co, Ltd.	Texas
KH General, Inc.	Texas
Kitty Hawk I, Inc.	Delaware
Carolina Brand Foods, LLC	North Carolina
Wright Brand Foods, Ltd.	Texas

IBP International Inc. (Subsidiary of IBP, inc) Delaware

Carneco Foods, LLC	Oklahoma
IBP International, Inc. Asia	Delaware
IBP International, Inc. Europe	Delaware

IBP/JOINT VENTURES AND PARTNERSHIPS

IBP Hudson Enterprises, LLC	Delaware
ID Casing, LLC	Delaware
Shandong Sand's Food and Development Co., Ltd.	China (Inactive)

IBP FOODSERVICE, LLC (Subsidiary of IBP, inc. Delaware

FOODBRANDS AMERICA, INC. (Subsidiary of IBP Foodservice, LLC) Delaware

Jos. Copperfield & Sons, Inc.	Delaware
Foodbrands Supply Chain Services, Inc.	Delaware
Forrest City Foods, LLC	Arkansas
Wilton Foods, Inc.	New York
Supreme Processed Foods, Inc.	Delaware

Continental Deli Foods, Inc. (Subsidiary of Foodbrands America, Inc.) Delaware

Brennan Packing Co., Inc.	Delaware
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HMFS Holdings, Inc.	Delaware
H & M Food Systems Company, Inc.	Delaware
Prepared Foods, Inc.	Texas
<u>DFG Foods, Inc. (Subsidiary of Foodbrands America, Inc.)</u>	Delaware
DFG Foods, LLC	Oklahoma
<u>Doskocil Food Service Company, LLC (Subsidiary of Continental Deli Foods, Inc.)</u>	Oklahoma
Doskocil Investments Corporation	Oklahoma
Doskocil Food Service Company-Texas, LP	Texas
Doskocil Food Service Company-Jefferson LP	Wisconsin
TNT Crust, Limited Partnership	Wisconsin
<u>FBAI Investments Corporation (Subsidiary of Foodbrands America, Inc.)</u>	Oklahoma
KPR Holdings, LP	Delaware
<u>Zemco Industries, Inc. (Subsidiary of Foodbrands America, Inc.)</u>	Delaware
Condyne-Jordan's LLC	Maine

JOINT VENTURES/PARTNERSHIPS

Tyson de Mexico, S.A.de C.V.	Mexico
Shanghai Ocean Wealth Products Corp.	China
Fil-Am Foods, Inc.	Philippines
Filagri Holdings, Inc.	Philippines
Commerce Ventures, LLC	Delaware
eFS Network, Inc.	Delaware

<u>COBB-VANTRESS, INC. (Subsidiary of Tyson Foods, Inc.)</u>	Delaware
The Cobb Breeding Company Limited	United Kingdom
Cobb Espanola S.A.	Spain
Cobb - Vantress Brazil LTDA	Brazil
Gen Ave, S.A.	Argentina
Matsusaka Farm Co. Ltd.	Japan

Breeder Master, Inc.	Philippine
Progenitores Avicola, C.A.	Venezuela
P.T. Cobbindonasa Nunggal	Indonesia
Venco Research and Breeding Farm, Ltd.	India
Reproductores Cobb	Argentina
Ping Shan Cobb-Vantress, Ltd. (PSCV)	Hong Kong
Sui Ping Cobb-Vantress, Ltd	China
Cobb Holland B.V.	The Netherlands
Cobb Breeders B.V.	The Netherlands
Cobb Breeding Company Ltd. (UK Corp) - CBC	United Kingdom
Cobb Denmark A/S (Denmark Corp)	Denmark
Cobb-Poland B.V. (Poland Corp)	Poland
Cobb-Turkey	Turkey
Cobb-France (Inactive)	France

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RECEIVABLES TRANSFER AGREEMENT

by and among

TYSON RECEIVABLES CORPORATION,
as Transferor,
TYSON FOODS, INC.,
individually,
as Collection Agent and as Guarantor,
The Persons Parties hereto as
CP Conduit Purchasers,
Committed Purchasers
and Funding Agents

and

JPMORGAN CHASE BANK
(formerly known as The Chase Manhattan Bank),
as Administrative Agent

Dated as of October 17, 2001
As amended and restated as of August 16, 2002

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RECEIVABLES TRANSFER AGREEMENT (as amended, supplemented or otherwise modified and in effect from time to time, this "Agreement"), dated as of October 17, 2001, by and among TYSON RECEIVABLES CORPORATION, a Delaware corporation, as transferor (in such capacity, the "Transferor"), TYSON FOODS, INC., a Delaware corporation, individually ("Tyson"), as collection agent (in such capacity, the "Collection Agent") and as guarantor under the Limited Guaranty set forth in Article IX (in such capacity, the "Guarantor"), the several commercial paper conduits identified on Schedule B and their respective permitted successors and assigns (the "CP Conduit Purchasers"; each, individually, a "CP Conduit Purchaser"), the several financial institutions identified on Schedule B as "Committed Purchasers" and their respective permitted successors and assigns (the "Committed Purchasers"; each, individually, a "Committed Purchaser"), the agent bank set forth opposite the name of each CP Conduit Purchaser and Committed Purchaser on Schedule B and its permitted successor and assign (the "Funding Agent" with respect to such CP Conduit Purchaser and Committed Purchaser), and JPMORGAN CHASE BANK (formerly known as The Chase Manhattan Bank), a New York state banking corporation ("JPMCB"), as administrative agent for the benefit of the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents (in such capacity, the "Administrative Agent").

PRELIMINARY STATEMENTS

WHEREAS the Transferor may desire to convey, transfer and assign, from time to time, undivided percentage interests in certain accounts receivable, and the CP Conduit Purchasers may desire to, and the Committed Purchasers in each Related Group, if requested by the CP Conduit Purchaser in its Related Group or (if such CP Conduit Purchaser does not make a purchase requested by the Transferor), shall, accept such conveyance, transfer and assignment of such undivided percentage interests, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01 Certain Defined Terms Capitalized terms used herein shall have the meanings assigned to such terms in, or incorporated by reference into, Schedule A attached hereto, which Schedule A is incorporated by reference herein.

SECTION 1.02 Other Terms All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

SECTION 1.03 Computation of Time Periods Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each means "to but excluding," and the word "within" means "from and excluding a specified date and to and including a later specified date."

ARTICLE I I

Purchases and Settlements

SECTION 2.01 Facility; Termination On the terms and conditions set forth in this Agreement, the parties hereto establish a receivables financing facility (" Program ") consisting of a renewable 364-day facility (" Facility A ") and a three-year facility (" Facility B ").

The Committed Purchasers' several obligations to make purchases from the Transferor hereunder shall terminate under each Facility on the applicable Termination Date. Notwithstanding anything to the contrary contained herein or in the other Transaction Documents,

(a) no Committed Purchaser shall be obligated to provide the Transferor with funds (i) in an amount that would exceed such Committed Purchaser's unused Commitment then in effect or (ii) for a Tranche Period that would extend beyond the applicable Commitment Expiry Date, subject in the case of Facility A to Sections 2.02(a)(iv) and 2.03(a), and

(b) the failure of any Committed Purchaser to make its Commitment Pro Rata Share of such purchase available to the Transferor (subject to the terms and conditions set forth herein) shall not relieve any other Committed Purchaser of its obligations hereunder.

SECTION 2.02 Transfers; Certificates; Eligible Receivables.

(a) Incremental Transfers. Prior to the Termination Date, upon the terms and subject to the conditions set forth herein and in the other Transaction Documents,

(x) the Transferor may, at its option from time to time, request a conveyance, transfer and assignment to each CP Conduit Purchaser (prior to the occurrence of a CP Conduit Purchaser's Termination Event with respect to such CP Conduit Purchaser) or if any CP Conduit Purchaser does not make such purchase, to the Committed Purchaser(s) in such CP Conduit Purchaser's Related Group; and

(y) each CP Conduit Purchaser may, at its option from time to time (prior to the occurrence of a CP Conduit Purchaser's Termination Event with respect to such CP Conduit Purchaser), and if any CP Conduit Purchaser does not make such purchase, the Committed Purchaser(s) in such CP Conduit Purchaser's Related Group shall, accept such conveyance, transfer and assignment from the Transferor, without recourse except as provided herein,

of undivided percentage ownership interests in the Receivables, together with Related Security, Collections and Proceeds with respect thereto (each, an " Incremental Transfer ") at the Transfer Price from time to time prior to the Termination Date; provided that

(i) after giving effect to the issuance of Commercial Paper by the CP Conduit Purchasers or the obtaining of funds by the Committed Purchasers to fund the Transfer Price of any Incremental Transfer and the payment to the Transferor of such Transfer Price, the Net Investment shall not exceed the Program Limit;

(ii) the representations and warranties set forth in Section 3.01 shall be true and correct as of the date of such Incremental Transfer and the payment to the Transferor of the Transfer Price related thereto;

(iii) a portion of each Tranche of such Incremental Transfer shall be allocated to each Related Group according to its Commitment Pro Rata Share; and

(iv) each Related Group's portion of such Tranche will be allocated to such Related Group's Facility A and Facility B according to such Related Group's applicable Facility Pro Rata Share; provided, however, that if allocating such portion of such Tranche according to the applicable Facility Pro Rata Share would result in a Tranche Period that extends beyond the Facility A Commitment Expiry Date being allocated to Facility A of such Related Group, such Tranche Period, to the extent it applies to Facility A of such Related Group, will be deemed to end on the Facility A Commitment Expiry Date.

The Transferor may, by delivery of a Transfer/Tranche Period Request to the Administrative Agent and each Funding Agent by telecopy, offer to convey, transfer and assign to each CP Conduit Purchaser (prior to the occurrence of a CP Conduit Purchaser's Termination Event with respect to such CP Conduit Purchaser) or if any CP Conduit Purchaser does not make such purchase, to the Committed Purchaser(s)

in such CP Conduit Purchaser's Related Group, undivided percentage ownership interests in the Receivables and Related Security, Collections and Proceeds with respect thereto at least two (2) Business Days prior to the proposed date of any Incremental Transfer. Each such notice shall specify (x) the desired Transfer Price (which shall be at least \$3,000,000 in the aggregate, or integral multiples of \$100,000 in excess thereof) or, to the extent that the then available unused portion of the Program Limit is less than such amount, such lesser amount equal to such available portion of the Program Limit; (y) the desired date of such Incremental Transfer which shall be a Business Day; and (z) the desired Tranche Period(s) and allocations of the Net Investment of such Incremental Transfer thereto as required by Section 2.03 hereof. Each Incremental Transfer shall be subject to the condition precedent that the Collection Agent shall have delivered to the Administrative Agent, in form and substance satisfactory to each Funding Agent, the most recently completed Settlement Statement (and to the extent required by Section 5.01(a)(ix), a completed Weekly Report dated within five (5) Business Days prior to the desired date of such Incremental Transfer), together with such other additional information as any Funding Agent may reasonably request. The Administrative Agent will promptly notify the Funding Agent for each CP Conduit Purchaser and the Committed Purchasers, as applicable, of the Administrative Agent's receipt of any request for an Incremental Transfer to be made to such Person. At their option, each CP Conduit Purchaser shall accept or reject any such offer by prompt written notice given to the Transferor, the Administrative Agent and the Funding Agent with respect to such CP Conduit Purchaser by telephone or telecopy.

Each notice of proposed Incremental Transfer shall be irrevocable and binding on the Transferor, and the Transferor shall indemnify the CP Conduit Purchasers and the Committed Purchasers against any loss or expense incurred by the CP Conduit Purchasers and the Committed Purchasers, either directly or indirectly, as a result of any failure by the Transferor to complete such Incremental Transfer, including, without limitation, any loss or expense incurred by the CP Conduit Purchasers and the Committed Purchasers by reason of the liquidation or reemployment of funds acquired by the CP Conduit Purchasers or the Committed Purchasers (including, without limitation, funds obtained by issuing Commercial Paper or promissory notes, obtaining deposits as loans from third parties and reemployment of funds) to fund such Incremental Transfer.

On the date of the initial Incremental Transfer, each Funding Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers in its Related Group, shall deliver written confirmation to the Transferor of the Transfer Price, the Tranche Period(s) and the Tranche Rate(s) relating to such Transfer as required by Section 2.03 hereof, and the Transferor shall deliver to the Administrative Agent the Transfer Certificate in the form of Exhibit E hereto (the "Transfer Certificate"). The Transfer Price for the initial Incremental Transfer shall be \$702,000,000. The Administrative Agent shall indicate the amount of the initial Incremental Transfer together with the date thereof on the grid attached to the Transfer Certificate; provided, however, that the failure by the Administrative Agent to make the foregoing notations shall not in any way affect the Transferor's obligations hereunder. On the date of each subsequent Incremental Transfer, each Funding Agent shall send written confirmation to the Transferor of the Transfer Price, the Tranche Period(s), the Transfer Date and the Tranche Rate(s) applicable to such Incremental Transfer. The Administrative Agent shall indicate the amount of the Incremental Transfer together with the date thereof as well as the Net Investment (after giving effect to the Incremental Transfer) on the grid attached to the Transfer Certificate. The Transfer Certificate shall evidence the Incremental Transfers. On the day of each Incremental Transfer, each CP Conduit Purchaser and Committed Purchaser participating in such purchase shall deposit to the Transferor's account, in immediately available funds, an amount equal to its share of the Transfer Price for such Incremental Transfer made to the CP Conduit Purchasers or the Committed Purchasers, as applicable. No Committed Purchaser shall have any responsibility for the failure of any other Committed Purchaser to make any such deposit.

(b) Reinvestment Transfers. On each Business Day occurring after the initial Incremental Transfer hereunder and prior to a CP Conduit Purchaser's Termination Event (in the case of the CP Conduit Purchasers) and the Termination Date, the Transferor hereby agrees to convey, transfer and assign to each CP Conduit Purchaser (prior to the occurrence of a CP Conduit Purchaser's Termination Event with respect to such CP Conduit Purchaser) or the Committed Purchasers, and each CP Conduit Purchaser may agree to purchase and, if such CP Conduit Purchaser does not so purchase, each Committed Purchaser in its Related Group shall purchase from the Transferor, undivided percentage ownership interests in each and every Receivable, together with Related Security, Collections and Proceeds with respect thereto, to the extent that Collections are available for such Transfer in accordance with Section 2.05 hereof. The Transferor agrees to maintain, at all times prior to the Termination Date, a Net Receivables Balance in an amount at least sufficient to maintain the Percentage Factor at an amount not greater than the Maximum Percentage Factor pursuant to Section 2.06. Accordingly, the maximum amount of funding that the Transferor may obtain on the Closing Date or at any time thereafter shall be equal to the maximum Net Investment that would not exceed the Program Limit and would not cause the Percentage Factor to exceed the Maximum Percentage Factor.

(c) All Transfers. Each Transfer shall constitute a purchase of undivided percentage ownership interests in each and every Receivable, together with Related Security, Collections and Proceeds with respect thereto, then existing, as well as in each and every Receivable, together with Related Security, Collections and Proceeds with respect thereto, which arises at any time after the date of such Transfer. The CP Conduit Purchasers' (and, following the occurrence of a CP Conduit Purchaser's Termination Event with respect to any CP Conduit Purchaser, the Committed Purchaser(s) in its Related Group) aggregate undivided percentage ownership interest in the Receivables, together with the Related Security, Collections and Proceeds with respect thereto, shall equal the Percentage Factor in effect from time to time. By accepting any conveyance, transfer and assignment of ownership interests in the Receivables hereunder, none of the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents or the Administrative Agent assumes or shall have any obligations or liability under any of the applicable Contracts, all of which shall remain the obligations and liabilities of the Sellers. Such purchases from the Transferor by the CP Conduit Purchasers and the Committed Purchasers shall be made in accordance with their respective Commitment Pro Rata Shares.

(d) Percentage Factor. The Percentage Factor shall be initially computed as of the opening of business of the Collection Agent on the date of the initial Incremental Transfer hereunder. Thereafter, until the Termination Date, the Percentage Factor shall be automatically recomputed as of the close of business of the Collection Agent on each Business Day and on each Saturday on which the Collection Agent is open until the Termination Date. The Percentage Factor shall remain constant from the time as of which any such computation or recomputation is made until the time as of which the next such recomputation, if any, shall be made. At all times on and after the Termination Date until the date on which the Net Investment has been reduced to zero and all accrued Discount, Servicing Fees and all other Aggregate Unpaid have been paid in full, the Percentage Factor shall equal 100%. Following any assignment of any portion of the Transferred Interest to the Committed Purchasers in any Related Group pursuant to the relevant Asset Purchase Agreement, the Funding Agent for such Related Group shall, at all times and from time to time, calculate such CP Conduit Purchaser's and such Committed Purchaser's pro rata interest in the Percentage Factor and regularly report thereon to the Administrative Agent (with copies thereof to the Transferor).

SECTION 2.03 Selection of Tranche Periods and Tranche Rates.

(a) Transferred Interest Held by CP Conduit Purchasers Prior to CP Conduit Purchaser's Termination Event. At all times hereafter, but prior to the Termination Date and not with respect to any portion of the Transferred Interest held by any of the Committed Purchasers, the Transferor may, subject to each Match Funding CP Conduit Purchaser's approval and the limitations described below, request Tranche Periods and allocate a portion of the Net Investment to each selected Tranche Period, so that the aggregate amounts allocated to outstanding Tranche Periods at all times shall equal the portion of the Net Investment held by the Match Funding CP Conduit Purchasers. Each Related Group's portion of each applicable Tranche will be allocated to such Related Group's Facility A and Facility B according to such Related Group's applicable Facility Pro Rata Share; provided, however, that if allocating such portion of such Tranche according to the applicable Facility Pro Rata Share would result in a Tranche Period that extends beyond the Facility A Commitment Expiry Date being allocated to Facility A of such Related Group, such Tranche Period, to the extent it applies to Facility A of such Related Group, will be deemed to end on the Facility A Commitment Expiry Date. The Transferor may, by delivery of a Transfer/Tranche Period Request by telecopy to the Administrative Agent and the Funding Agent with respect to any Match Funding CP Conduit Purchaser at least two (2) Business Days prior to the expiration of any then existing Tranche Period, request new Tranche Period(s) with respect to the relevant Match Funding CP Conduit Purchaser; provided, however, that each Match Funding CP Conduit Purchaser may select, in its sole discretion, any such new Tranche Period if (i) the Transferor fails to provide such notice on a timely basis or (ii) the Funding Agent with respect to such Match Funding CP Conduit Purchaser, on behalf of such Match Funding CP Conduit Purchaser, determines, in its sole discretion, that the Tranche Period requested by the Transferor is unavailable or for any reason commercially undesirable. Each Match Funding CP Conduit Purchaser confirms that it is its intention to allocate all or substantially all of the portion of the Net Investment held by it to one or more CP Tranche Periods; provided that each Match Funding CP Conduit Purchaser may determine, from time to time, in its sole discretion, that funding such portion of the Net Investment by means of one or more CP Tranche Periods is not possible or is not desirable for any reason.

On any Business Day, a Match Funding CP Conduit Purchaser may elect that the Transferor no longer be permitted to select CP Tranches in accordance with the preceding paragraph in respect of the CP Conduit Funded Amount with respect to such Match Funding CP Conduit Purchaser by giving the Transferor and the Administrative Agent irrevocable written notice thereof, which notice must be received by the Transferor and the Administrative Agent at least one Business Day prior to such election becoming effective. On any Business Day, a Pooled Funding CP Conduit Purchaser may elect thereafter to allow the Transferor to select CP Tranches in accordance with the preceding paragraph in respect of the CP Conduit Funded Amount with respect to such Pooled Funding CP Conduit Purchaser by giving the Transferor and the Administrative Agent irrevocable written notice thereof, which notice must be received by the Transferor and the Administrative Agent at least two (2) Business Days prior to such Business Day. Any CP Conduit Purchaser making an election to change the manner in which its funding costs are allocated will be both a Match Funding CP Conduit Purchaser and a Pooled Funding CP Conduit Purchaser during the period that its CP Conduit Funded Amount is funded on both a "pooled" and "match funded" basis and its accrued and unpaid Discount will be calculated accordingly. For all purposes of this Agreement, the "CP Tranche" with respect to any Pooled Funding CP Conduit Purchaser shall be equal to the aggregate amount of its CP Conduit Funded Amount funded on a pooled basis during the related CP Tranche Period.

(b) Transferred Interest Held by CP Conduit Purchasers Following the Termination Date. At all times on and after the Termination Date, with respect to any portion of the Transferred Interest which shall not have been transferred to the Committed Purchasers (or any of them), each CP Conduit Purchaser or the Funding Agent with respect to such CP Conduit Purchaser, as applicable, shall select all Tranche Periods (not to exceed 45 days) and Tranche Rates applicable thereto upon the expiration of Tranche Periods in effect on the Termination Date.

(c) Transferred Interest Held by the Committed Purchasers or Liquidity Provider Prior to the Termination Date. With respect to any portion of the Transferred Interest which is owned by or transferred to a Committed Purchaser or Liquidity Provider pursuant to this Agreement or an Asset Purchase Agreement prior to the Termination Date, the initial Tranche Period applicable to such portion of the Net Investment allocable thereto shall be a period of at least three (3) Business Days, and such Tranche shall be a BR Tranche. Thereafter (but prior to the Termination Date), with respect to such portion, and with respect to any other portion of the Transferred Interest held by or transferred to any Committed Purchaser or Liquidity Provider, the Tranche Period applicable thereto shall be, at the Transferor's sole option, either a BR Tranche or a Eurodollar Tranche. The Transferor may, by delivery of a Transfer/Tranche Period Request by telecopy to the Administrative Agent and the Funding Agents with respect to any Committed Purchaser (i) if the applicable Tranche is to be a Eurodollar Tranche, at least three (3) Business Days prior to the expiration of any then existing Tranche Period, and (ii) if the applicable Tranche is to be a BR Tranche, at least one (1) Business Day prior to the expiration of any then existing Tranche Period, request new Tranche Period(s) with respect to such Committed Purchaser or Liquidity Provider. Any Tranche Period maintained by the Committed Purchasers which is outstanding on the Termination Date shall end on the Termination Date.

(d) After the Termination Date; Transferred Interest Held by or Transferred to Committed Purchasers or Liquidity Providers. At all times on and after the Termination Date, with respect to any portion of the Transferred Interest which shall have been owned by, or transferred to, the Committed Purchaser or Liquidity Provider, the Funding Agents of the applicable Committed Purchaser or Liquidity Provider shall select all Tranche Periods and Tranche Rates applicable thereto upon the expiration of Tranche Periods in effect on the Termination Date.

(e) Nieuw Amsterdam may at any time designate all or any portion of the Net Investment held by it as a "CP Conduit Purchaser" as having been transferred to itself in its capacity as a "Committed Purchaser", to the same extent and with the same effect as if such transfer had been made to a third party Committed Purchaser pursuant to this Agreement or an Asset Purchase Agreement.

SECTION 2.04 Discount, Fees and Other Costs and Expenses. Notwithstanding the limitation on recourse under Section 2.01 hereof, the Transferor shall pay, as and when due in accordance with this Agreement and the other Transaction Documents, all Discount, Servicing Fees, Fees and other Aggregate Unpaid to the extent not otherwise provided for by the provisions of this Agreement. As provided in Section 2.05 and 2.06, the Transferor shall pay to the Administrative Agent, on behalf of the CP Conduit Purchasers and/or the Committed Purchasers, as applicable, an amount equal to the accrued and unpaid Discount for such Tranche Period together with, in the event any portion of the Transferred Interest is held by the CP Conduit Purchasers, an amount equal to the Discount (without duplication) accrued on the CP Conduit Purchasers' Commercial Paper to the extent such Commercial Paper was issued in order to fund the Transferred Interest in a face amount in excess of the Transfer Price of an Incremental Transfer; provided that (i) in the event of any repayment or prepayment of a BR Tranche or a Eurodollar Tranche, accrued Discount on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (ii) in the event of any conversion of a BR Tranche or a Eurodollar Tranche, accrued interest on such BR Tranche or Eurodollar Tranche shall be payable on the effective date of such conversion. Discount shall accrue with respect to each Tranche on each day occurring during the Tranche Period related thereto.

Nothing in this Agreement or the other Transaction Documents shall limit in any way the obligations of the Transferor to pay the amounts set forth in this Section 2.04.

SECTION 2.05 Non-Liquidation Settlement and Reinvestment Procedures. (a) On each day after the date of any Incremental Transfer but prior to the Termination Date, and provided that Section 2.06 shall not be applicable, the Collection Agent shall, out of the Percentage Factor of Collections received on or prior to such day and not previously set aside or paid:

(i) set aside and hold in trust for the CP Conduit Purchasers or the Committed Purchasers, as applicable an amount equal to all Discount, Fees and the Servicing Fee accrued through such day and not so previously set aside or paid;

(ii) apply the balance of such Percentage Factor of Collections remaining after application of Collections as provided in clause (i) of this Section 2.05 to the Transferor, for the benefit of the CP Conduit Purchasers and/or the Committed Purchasers, as applicable, to the purchase of additional undivided percentage interests in each Receivable pursuant to Section 2.02(b) hereof; and

(iii) remit the balance, if any, of Collections remaining after the applications provided in clauses (i) and (ii) to the Transferor or its designee.

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(b) On each Settlement Date (or during a Downgrade Condition, on each Weekly Settlement Date), from the amounts set aside as described in clause (a) (i) of this Section 2.05, the Collection Agent shall deposit to the Collection Account, for the benefit of the CP Conduit Purchasers and/or the Committed Purchasers, as applicable, an amount equal to the accrued and unpaid Discount and Fees for the related Settlement Period (or during a Downgrade Condition, for the period since the end of the preceding Settlement Period or for the preceding calendar week) and shall deposit to its own account an amount equal to the accrued and unpaid Servicing Fee for such Settlement Period (or calendar week, as applicable); provided that (i) accrued and unpaid Discount with respect to any Eurodollar Tranche shall be deposited at the end of the related Tranche Period, and (ii) at the end of each Eurodollar Tranche Period, the Administrative Agent shall distribute from such amounts deposited into the Collection Account to the Funding Agents for the CP Conduit Purchasers and/or the Committed Purchaser the amount of accrued and unpaid Discount for such Eurodollar Tranche Period, as calculated by the Funding Agents in accordance with the Transaction Documents. On each Settlement Date (or during a Downgrade Condition, on each Weekly Settlement Date), the Administrative Agent shall distribute from such amounts deposited into the Collection Account to the Funding Agents for the CP Conduit Purchasers and/or the Committed Purchasers the amount of accrued and unpaid Discount and Fees for such preceding Settlement Period (or during a Downgrade Condition, for the period since the end of the preceding Settlement Period or for the preceding calendar week, as applicable) as calculated by the Funding Agents in accordance with the Transaction Documents; provided that if the Administrative Agent shall have insufficient funds to pay all of the above amounts in full on any such date, the Administrative Agent shall notify the Transferor and the Transferor shall immediately pay to the Administrative Agent, from funds previously paid to the Transferor, an amount equal to such insufficiency. The Administrative Agent shall pay the Funding Agents in accordance with the records maintained by the Funding Agents pursuant to Section 2.24.

SECTION 2.06 Liquidation Settlement Procedures (a) If at any time on or prior to the Termination Date, the Percentage Factor is greater than the Maximum Percentage Factor, then the Collection Agent shall immediately pay to each Funding Agent, for the benefit of the relevant CP Conduit Purchasers and/or the Committed Purchasers, as applicable, from previously received Collections, an amount that, when applied to reduce the Net Investment, will result in a Percentage Factor less than or equal to the Maximum Percentage Factor, to be allocated to each Related Group based on its Commitment Pro Rata Share and, within each Related Group, to each Facility based on the applicable Facility Pro Rata Share. Such amount shall be applied to reduce the Net Investment of Tranche Periods selected by the Funding Agents. On the Termination Date or the day on which a Potential Termination Event occurs, the Collection Agent shall deposit to the Collection Account, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, as applicable, any amounts set aside pursuant to Section 2.05 above.

(b) The Collection Agent shall implement the procedures set forth in this clause (b) (a "Partial Liquidation") with respect to the Related Group of any Liquidating Related Group under Section 2.26. On each Business Day, until the portion of such Related Group's Facility A Net Investment is reduced to zero, and provided that no Termination Date has been declared or has occurred, the Collection Agent shall apply out of the Percentage Factor of Collections received on or before such Business Day and not previously applied, funds in the following manner:

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(i) first, set aside and hold in trust for the CP Conduit Purchasers or the Committed Purchasers, as applicable, an amount equal to all Discount, Fees and the Servicing Fee accrued through such day and not so previously set aside or paid;

(ii) second, on each Settlement Date (or during a Downgrade Condition, on each Weekly Settlement Date), deposit such funds as specified in Section 2.05(b) and the Administrative Agent shall distribute such funds as specified in Section 2.05(b);

(iii) third, on each Settlement Date (or during a Downgrade Condition, on each Weekly Settlement Date), pay to the Funding Agent for such Liquidating Related Group an amount equal to such Liquidating Related Group's Liquidation Share of all remaining Collections, up to the amount of such Liquidating Related Group's Facility A Net Investment, in payment of such Liquidating Related Group's Facility A Net Investment; and

(iv) fourth, apply the balance of such Collections to the purchase of additional undivided percentage interests pursuant to Section 2.02 (b) hereof.

(c) On the Termination Date and on each day thereafter, the Collection Agent shall deposit to the Collection Account, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, as applicable, the Percentage Factor of all Collections received on such day, and the Administrative Agent shall distribute such funds in the following order of priority:

- (i) first, in payment in full of the accrued Discount and all Fees payable by the Transferor;
- (ii) second, if Tyson or any Affiliate of Tyson is not then the Collection Agent, to the Collection Agent's account, in payment in full of the Servicing Fee payable to the Collection Agent;
- (iii) third, in reduction of the Net Investment to zero, to be allocated to each Related Group based on its Commitment Pro Rata Share and, within each Related Group, to each Facility based on the applicable Facility Pro Rata Share;
- (iv) fourth, in payment in full of all other Aggregate Unpays not covered in clauses (i) through (iii) above; and
- (iv) fifth, if Tyson or any Affiliate of Tyson is the Collection Agent, to its account as Collection Agent, in payment of the Servicing Fee payable to such Person as Collection Agent.

The Administrative Agent, upon its receipt of such amounts in the Collection Account, shall distribute such amounts to the Funding Agents for the CP Conduit Purchasers and/or the Committed Purchasers entitled thereto in accordance with the records maintained by the Funding Agents pursuant to Section 2.24; provided that if the Administrative Agent shall have insufficient funds to pay all of the above amounts in full on any such date, the Administrative Agent shall pay such amounts in the order of priority set forth above and, with respect to any such category above for which the Administrative Agent shall have insufficient funds to pay all amounts owing on such date, ratably (based on the amounts in such categories owing to such Persons) among all such Persons entitled to payment thereof.

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(d) Following the date on which the Net Investment has been reduced to zero and all accrued Discount, Fees, Servicing Fees and all other Aggregate Unpays have been paid in full, (i) the Percentage Factor shall equal zero, (ii) the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall be considered to have reconveyed to the Transferor all of the CP Conduit Purchasers' and the Committed Purchasers' right, title and interest in, to and under the Receivables and Related Security, Collections and Proceeds with respect thereto, and (iii) the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall execute and deliver to the Transferor, at the Transferor's expense, such documents or instruments as are necessary to terminate the CP Conduit Purchasers' and the Committed Purchasers' respective interests in the Receivables and Related Security, Collections and Proceeds with respect thereto. Any such documents shall be prepared by or on behalf of the Transferor.

(e) Subject to Section 2.16, the Transferor may, by delivery of a Reduction Notice to the Administrative Agent and each Funding Agent by telecopy, at any time and from time to time reduce the Net Investment, in whole or in part, upon at least three Business Days' prior notice to the Administrative Agent before 11:00 a.m., New York City time; provided, however, that each partial reduction of the Net Investment shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$3,000,000 in the aggregate. Upon the date specified in such Reduction Notice for such reduction, the Transferor shall immediately pay to the relevant Funding Agent, for the benefit of the applicable CP Conduit Purchasers and/or the Committed Purchasers, as applicable, from previously received Collections, an amount equal to the Commitment Pro Rata Share of the applicable Related Group of such targeted reduction, to be allocated within such Related Group to each Facility based on the applicable Facility Pro Rata Share. Such amount shall be applied to reduce the Net Investment of Tranche Periods selected by the Funding Agents.

SECTION 2.07 Reduction of Commitments Upon fifteen (15) days written notice to the Administrative Agent, the Transferor may reduce the Commitments of the Committed Purchasers in an amount equal to \$5,000,000 or a whole multiple of \$500,000 in excess thereof; provided that no such termination or reduction shall be permitted if, after giving effect thereto, the Net Investment would exceed 98.04% of the Aggregate Commitment. Upon any such reduction, the Commitment of each Committed Purchaser shall be reduced in an amount equal to such Committed Purchaser's Commitment Pro Rata Share of the amount of such reduction, and the Program Limit shall be recalculated to equal 98.04% of the Aggregate Commitment. Once reduced, the Commitments shall not be subsequently reinstated. The Commitment of each Committed Purchaser shall be automatically reduced to zero on its Commitment Expiry Date and the Commitment of all Committed Purchasers shall be automatically reduced to zero on the Termination Date.

SECTION 2.08 Fees To the extent not otherwise provided for by the provisions of this Agreement, the Transferor shall pay to the Administrative Agent, for its own account and the account of each CP Conduit Purchaser, Funding Agent and Committed Purchaser, the Fees specified in the Fee Letter.

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SECTION 2.09 Protection of Ownership Interest of the CP Conduit Purchasers and the Committed Purchasers.

(a) The Transferor will, and will cause each Seller to, from time to time, at its expense, promptly execute and deliver all instruments and documents and take all actions as may be necessary or as any Funding Agent may reasonably request in order to perfect or protect the Transferred Interest or to enable the Administrative Agent, the CP Conduit Purchasers, the Funding Agents or the Committed Purchasers to exercise or enforce any of their respective rights hereunder. Without limiting the foregoing, the Transferor will, and will cause each Seller to, upon the request of any Funding Agent, the CP Conduit Purchasers or any of the Committed Purchasers, in order to accurately reflect this purchase and sale transaction, (x) execute and file such financing or continuation statements or amendments thereto or assignments thereof as may be so requested, and (y) mark its respective master data processing records and other documents with a legend describing the conveyance to the Transferor (in the case of the Sellers) and to the Administrative Agent for the benefit of the CP Conduit Purchasers and the Committed Purchasers, of the Transferred Interest. The Transferor shall, and will cause the Sellers to, upon request of any Funding Agent, obtain such additional search reports as any Funding Agent, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, shall reasonably request. To the fullest extent permitted by applicable law, the Administrative Agent shall be permitted to sign and file continuation statements and amendments thereto and assignments thereof without the Transferor's or any Seller's signature. Carbon, photostatic or other reproduction of this Agreement or any financing statement shall be sufficient as a financing statement. The Transferor shall not, and shall not permit any Seller to, change its respective name (within the meaning of Section 9-507(c) of the Relevant UCC), jurisdiction of organization, form of organization, taxpayer identification number or state organizational number, unless it shall have: (i) given the Administrative Agent at least thirty (30) days' prior notice thereof and (ii) prepared at the Transferor's expense and delivered to the Administrative Agent all financing statements, instruments and other documents necessary to preserve and protect the Transferred Interest or requested by any Funding Agent in connection with such change. Any filings under the Relevant UCC or otherwise that are occasioned by such change shall be made at the expense of Transferor.

(b) The Collection Agent shall instruct, and shall cause the other Sellers to instruct, all Obligors to cause all Collections to be deposited directly with a Lockbox Bank; any Lockbox Account maintained by a Lockbox Bank pursuant to the related Lockbox Agreement shall be under the exclusive dominion and control of the Administrative Agent which is hereby granted to the Administrative Agent by the Transferor. The Collection Agent shall be permitted to give instructions to the Lockbox Banks except during the occurrence of a Collection Agent Default or any other Termination Event. The Collection Agent shall not add any bank as a Lockbox Bank to those listed on Exhibit B attached hereto unless such bank has entered into a Lockbox Agreement. The Collection Agent shall not terminate any bank as a Lockbox Bank unless the Administrative Agent shall have received sixty (60) days' prior notice of such termination. If the Transferor, any Seller or the Collection Agent receives any Collections, the Transferor or the Collection Agent, as applicable, shall, or shall cause such Seller to, remit such Collections to a Lockbox Account within one (1) Business Day of receipt thereof.

(c) The Transferor hereby pledges, assigns and transfers to the Administrative Agent, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, and hereby creates and grants to the Administrative Agent, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, a security interest in the Lockbox Accounts and all cash, checks and other negotiable instruments, funds and other evidences of payment held therein.

SECTION 2.10 Deemed Collections; Application of Payments.

(a) If on any day a Receivable becomes a Diluted Receivable, the Transferor shall be deemed to have received on such day a Collection of such Receivable in the amount of the applicable reduction or cancellation, and the Transferor shall pay to the Collection Agent an amount equal to such reduction or cancellation. Any such amount shall be applied by the Collection Agent as a Collection in accordance with Section 2.05 or 2.06 hereof, as applicable.

(b) If on any day any of the representations or warranties in Article III was or becomes untrue with respect to a Receivable or the nature of the Administrative Agent's interest therein (whether on or after the date of any transfer of an interest therein to the CP Conduit Purchasers and the Committed Purchasers, or an assignment therein by the CP Conduit Purchasers to the Committed Purchasers under the Asset Purchase Agreements), the Transferor shall be deemed to have received on such day a Collection of such Receivable in full and the Transferor shall, on such day, pay to the Collection Agent an amount equal to the Outstanding Balance of such Receivable and such amount shall be allocated and applied by the Collection Agent as a Collection allocable to the Transferred Interest in accordance with Section 2.05 or 2.06 hereof, as applicable. Simultaneously with any such payment by the Transferor, each of the CP Conduit Purchasers and the Committed Purchasers, as the case may be, shall convey all of its right, title and interest in such Receivable and Related Security to the Transferor, and the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall take all action reasonably requested by the Transferor to effectuate such conveyance.

(c) Any payment by an Obligor in respect of any indebtedness owed by it to the Transferor or the Seller shall, except as otherwise specified by such Obligor or otherwise required by contract or law, be applied as a Collection of any Receivable of such Obligor included in the Transferred Interest (in order of the age of such Receivable, starting with the oldest such Receivable), except as otherwise instructed by the

Administrative Agent and the Required Committed Purchasers, to the extent of any amounts then due and payable thereunder before being applied to any other receivable or other indebtedness of such Obligor.

SECTION 2.11 Payments and Computations, etc All amounts to be paid or deposited by the Transferor or the Collection Agent hereunder shall be paid or deposited in accordance with the terms hereof no later than 12:00 p.m. (New York time) on the day when due in immediately available funds; if such amounts are payable to any CP Conduit Purchaser (or any Committed Purchaser), they shall be paid or deposited to the Collection Account (or, in the case of payments in respect of Net Investment, directly to an account specified by the relevant Funding Agent), until otherwise notified by the Administrative Agent. No later than 3:00 p.m. (New York time) on the date of any Incremental Transfer hereunder, the CP Conduit Purchasers or the Committed Purchasers, as applicable, will make available to the Transferor, in immediately available funds, the Transfer Price for such Incremental Transfer on such day by remitting such amount to an account of the Transferor specified in the related Transfer/Tranche Period Request (or otherwise specified by the Transferor by written notice to the Administrative Agent). The Transferor shall, to the extent permitted by law, pay to the Administrative Agent, for the benefit of the CP Conduit Purchasers and/or the Committed Purchasers upon demand, interest on all amounts not paid or deposited by it when due under this Section 2.11 at a rate equal to 2.00% per annum plus the Base Rate. All computations of interest hereunder shall be made on the basis of a year of 365 or 366 days, as applicable for the actual number of days (including the first but excluding the last day) elapsed. Whenever any payment or deposit to be made hereunder shall be due on a day other than a Business Day, such payment or deposit shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of such payment or deposit. Any computations by the Administrative Agent or the applicable Funding Agent of amounts payable by the Transferor hereunder shall be binding upon the Transferor absent manifest error.

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SECTION 2.12 Reports (a) Weekly Report and Daily Report. The Collection Agent shall deliver to the Administrative Agent and the Transferor, no later than 1:00 p.m., New York City time, (i) on each Weekly Settlement Date during a Downgrade Condition, a written report substantially in the form attached hereto as Exhibit D-1 (the "Weekly Report") setting forth total Collections received and Receivables originated during the immediately preceding calendar week, Eligible Receivables balances at the end of the immediately preceding calendar week, and such other information as the Administrative Agent or any Funding Agent may reasonably request, and (ii) on each Business Day after the occurrence of a Termination Event, a daily report setting forth Collections received on the previous Business Day and the balance of Eligible Receivables as of the close of business on the previous Business Day, and such other information as the Administrative Agent or any Funding Agent may reasonably request. The Weekly Report and such daily report may be delivered in an electronic format mutually agreed upon by the Collection Agent and each Funding Agent, or pending such agreement, by facsimile.

(b) Settlement Statement. On each Settlement Statement Date, the Collection Agent shall deliver to the Administrative Agent and the Transferor a monthly report, substantially in the form of Exhibit D-2 (the "Settlement Statement"), showing (i) the aggregate Purchase Price of Receivables acquired or generated by the Sellers in the preceding fiscal month, (ii) the aggregate Outstanding Balance of such Receivables that are Eligible Receivables and (iii) such other information as the Administrative Agent or any Funding Agent may reasonably request.

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SECTION 2.13 Collection Account (a) There shall be established on or before the day of the initial Incremental Transfer hereunder and maintained, for the benefit of the Administrative Agent on behalf of the CP Conduit Purchasers and the Committed Purchasers, a segregated account (the "Collection Account"), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the CP Conduit Purchasers and the Committed Purchasers. Upon the occurrence and during the continuation of a Termination Event, the Collection Agent, at the direction of the Administrative Agent acting at the direction of the Required Committed Purchasers, shall remit daily to the Collection Account all Collections received with respect to any Receivables as provided in Section 2.06(c). Funds on deposit in the Collection Account (other than investment earnings) shall be invested by the Administrative Agent in Permitted Investments that will mature so that such funds will be available prior to each Settlement Date following such investment. On each Settlement Date, all interest and earnings (net of losses and investment expenses) on funds on deposit in the Collection Account shall be retained in the Collection Account and be available to make any payments required to be made hereunder (including Discount) by the Transferor. On the date on which the Net Investment is zero, and all accrued Discount, Servicing Fees, Fees and all other Aggregate Unpaid have been paid in full, any funds remaining on deposit in the Collection Account shall be paid to the Transferor.

(b) For so long as any amounts remain due and owing to the CP Conduit Purchasers or the Committed Purchasers hereunder or under the Transaction Documents, the Administrative Agent shall distribute all payments received by it in respect of the Transaction Documents by (i) transferring to the CP Conduit Purchasers and the Committed Purchasers, on a pro rata basis, based on the amounts thereof owing to each CP Conduit Purchaser and each Committed Purchaser, respectively, all payments of Discount, (ii) transferring to the CP Conduit Purchasers and the Committed Purchasers, on a pro rata basis, based on the CP Conduit Purchaser's Interest and the Committed Purchaser Funded Amount, respectively, on the date of payment, all payments in reduction of the Net Investment and (iii) transferring to the CP Conduit

Purchasers and/or the Committed Purchasers in accordance with their Commitment Pro Rata Shares, any other amounts owing to the CP Conduit Purchasers and/or the Committed Purchasers under this Agreement. Such transfers shall be made by the Administrative Agent by withdrawing funds on deposit in the Collection Account and remitting such funds to the accounts of the CP Conduit Purchasers and the Committed Purchasers specified by each of them from time to time.

SECTION 2.14 Right of Setoff Each of the CP Conduit Purchasers and the Committed Purchasers is hereby authorized (in addition to any other rights it may have) at any time after the occurrence of the Termination Date, or during the continuation of a Potential Termination Event, to set off, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by such CP Conduit Purchaser or such Committed Purchaser to, or for the account of, the Transferor against the amount of the Aggregate Unpaid owing by the Transferor to such Person.

SECTION 2.15 Sharing of Payments, et If any CP Conduit Purchaser or any Committed Purchaser (for purposes of this Section 2.15 only, a " Recipient ") shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) on account of any interest in the Transferred Interest owned by it in excess of its Commitment Pro Rata Share of payments on account of any interest in the Transferred Interest obtained by the CP Conduit Purchasers and/or the Committed Purchasers entitled thereto, such Recipient shall forthwith purchase from the CP Conduit Purchasers and/or the Committed Purchasers entitled to a share of such amount participations in the percentage interests owned by such Persons as shall be necessary to cause such Recipient to share the excess payment ratably with each such other Person entitled thereto; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Recipient, such purchase from each such other Person shall be rescinded and each such other Person shall repay to the Recipient the purchase price paid by such Recipient for such participation to the extent of such recovery, together with an amount equal to such other Person's Commitment Pro Rata Share (according to the proportion of (a) the amount of such other Person's required payment to (b) the total amount so recovered from the Recipient) of any interest or other amount paid or payable by the Recipient in respect of the total amount so recovered.

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SECTION 2.16 Broken Funding In the event that (a) the payment of any principal of any Eurodollar Tranche is made other than on the last day of the Eurodollar Tranche Period applicable thereto (including as a result of the occurrence of the Termination Date or an optional prepayment by the Transferor of a Eurodollar Tranche), (b) the conversion of any Eurodollar Tranche is made by the Transferor other than on the last day of the related Eurodollar Tranche Period, or (c) the Transferor fails to borrow, convert, continue or prepay any Eurodollar Tranche on the date specified in any notice delivered pursuant hereto, then, in any such event, the Transferor shall compensate the Committed Purchasers for the loss, cost and expense actually incurred by such Committed Purchasers attributable to such event. Such loss, cost or expense to any Committed Purchaser shall include an amount determined by such Committed Purchaser to be the excess, if any, of (i) the amount of Discount which would have accrued on the principal amount of such Eurodollar Tranche had such event not occurred, at the Eurodollar Rate that would have been applicable to such Eurodollar Tranche, for the period from the date of such event to the last day of the Eurodollar Tranche Period (or, in the case of a failure to borrow, convert or continue, for the period that would have been the related Eurodollar Tranche Period), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Committed Purchaser would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the interbank Eurodollar market. Within forty-five (45) days after any Committed Purchaser hereunder receives actual knowledge of any of the events specified in this Section 2.16, a certificate of such Committed Purchaser setting forth any amount or amounts that such Committed Purchaser is entitled to receive pursuant to this Section 2.16 and the reason(s) therefor shall be delivered to the Transferor (with a copy to the Administrative Agent) and shall be conclusive absent manifest error. The Transferor shall pay each such Committed Purchaser the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17 Conversion and Continuation of Outstanding Tranches Funded by the Committed Purchasers Prior to the occurrence of the Termination Date, (a) each BR Tranche hereunder may, at the option of the Transferor, be continued as a BR Tranche or converted to a Eurodollar Tranche and (b) each Eurodollar Tranche may, at the option of the Transferor, be continued as a Eurodollar Tranche or converted to a BR Tranche. On and after the Termination Date (i) no outstanding Tranche funded by the Committed Purchasers may be converted to, or continued as, a Eurodollar Tranche and (ii) unless repaid, each Eurodollar Tranche shall be converted to a BR Tranche on the last day of the Tranche Period related thereto. For any such optional conversion or continuation by the Transferor, the Transferor shall give each Funding Agent irrevocable notice (each, a " Conversion/Continuation Notice ") of such request not later than 12:30 p.m. (New York City time) in the case of a conversion of a BR Tranche into a Eurodollar Tranche, or a continuation of a Eurodollar Tranche as a Eurodollar Tranche, three (3) Business Days before the date of such conversion or continuation, as applicable. If a Conversion/Continuation Notice has not been timely delivered with respect to any BR Tranche or Eurodollar Tranche, such Tranche shall be automatically continued as, or converted to, a BR Tranche. Each Conversion/Continuation Notice shall specify (a) the requested date (which shall be a Business Day) of such conversion or continuation, (b) the aggregate amount and rate option applicable to the Tranche which is to be converted or continued and (c) the amount and rate option(s) of Tranche(s) into which such Tranche is to be converted or continued.

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SECTION 2.18 Illegality.

(a) Notwithstanding any other provision herein, if, after the Closing Date, the adoption of any Law or bank regulatory guideline or any amendment or change in the interpretation of any existing or future Law or bank regulatory guideline by any Official Body charged with the administration, interpretation or application thereof, or the compliance with any directive of any Official Body (in the case of any bank regulatory guideline, whether or not having the force of Law), shall make it unlawful for any Committed Purchaser to acquire or maintain a Eurodollar Tranche as contemplated by this Agreement, (i) such Committed Purchaser shall, within forty-five (45) days after receiving actual knowledge thereof, deliver a certificate to the Transferor (with a copy to the Administrative Agent) setting forth the basis for such illegality, which certificate shall be conclusive absent manifest error, (ii) the commitment of such Committed Purchaser hereunder to make a portion of a Eurodollar Tranche, continue any portion of a Eurodollar Tranche as such and convert a BR Tranche to a Eurodollar Tranche shall forthwith be canceled, and such cancellation shall remain in effect so long as the circumstance described above exists, and (iii) such Committed Purchaser's portion of any Eurodollar Tranche then outstanding shall be converted automatically to a BR Tranche on the last day of the related Eurodollar Tranche Period, or within such earlier period as required by law.

If any such conversion of a portion of a Eurodollar Tranche occurs on a day which is not the last day of the related Eurodollar Tranche Period, then pursuant to Section 2.16 the Transferor shall pay to such Committed Purchaser such amounts, if any, as may be required to compensate such Committed Purchaser. If circumstances subsequently change so that it is no longer unlawful for an affected Committed Purchaser to acquire or to maintain a portion of a Eurodollar Tranche as contemplated hereunder, such Committed Purchaser will, as soon as reasonably practicable after such Committed Purchaser knows of such change in circumstances, notify the Transferor and the Administrative Agent, and upon receipt of such notice, the obligations of such Committed Purchaser to acquire or maintain its acquisition of portions of Eurodollar Tranches or to convert its portion of a BR Tranche into portions of Eurodollar Tranches shall be reinstated.

(b) Each Committed Purchaser agrees that, upon the occurrence of any event giving rise to the operation of Section 2.18(a) with respect to such Committed Purchaser, it will, if requested by the Transferor and to the extent permitted by law or by the relevant Official Body, endeavor in good faith to change the office at which it books its portions of Eurodollar Tranches hereunder if such change would make it lawful for such Committed Purchasers to continue to acquire or to maintain its acquisition of portions of Eurodollar Tranches hereunder; provided, however, that such change may be made in such manner that such Committed Purchaser, in its sole determination, suffers no unreimbursed cost or expense or any other disadvantage whatsoever.

SECTION 2.19 Inability to Determine Eurodollar Rate If, prior to the first day of any Eurodollar Tranche Period:

(1) the Administrative Agent shall have determined (which determination in the absence of manifest error shall be conclusive and binding upon the Transferor) that, by reason of circumstances affecting the interbank Eurodollar market, either (a) dollar deposits in the relevant amounts and for the relevant Tranche Period are not available, or (b) adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Eurodollar Tranche Period; or

(2) the Administrative Agent shall have received notice from the Required Committed Purchasers that the Eurodollar Rate determined or to be determined for such Eurodollar Tranche Period will not adequately and fairly reflect the cost to such Committed Purchasers (as conclusively certified by such Committed Purchasers) of purchasing or maintaining their affected portions of Eurodollar Tranches during such Eurodollar Tranche Period;

then, in either such event, the Administrative Agent shall give telecopy or telephonic notice thereof (confirmed in writing) to the Transferor and the Committed Purchasers as soon as practicable (but, in any event, within ten (10) days after such determination or notice, as applicable) thereafter. Following delivery of such notice to the Transferor, no further Eurodollar Tranches shall be made. The Administrative Agent agrees to withdraw any such notice as soon as reasonably practicable after the Administrative Agent is notified of a change in circumstances which makes such notice inapplicable.

SECTION 2.20 Indemnities by the Transferor Without limiting any other rights which the Administrative Agent, the CP Conduit Purchasers or the Committed Purchasers may have hereunder or under applicable law, the Transferor hereby agrees to indemnify the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent and any successors and permitted assigns and their respective officers, directors, agents and employees (collectively, "Indemnified Parties") from and against any and all damages, losses, claims, liabilities, deficiencies, costs, disbursements and expenses, including, without limitation, interest, penalties, amounts paid in settlement and reasonable attorneys' fees (including allocated costs of attorneys who may be employees of the Administrative Agent) (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them in any action or proceeding between the Transferor, the Collection Agent in such capacity or the Sellers and any of the Indemnified Parties or between any of the Indemnified Parties and any third party and arising out of or as a result of this Agreement, the other Transaction Documents, the ownership or maintenance, either directly or indirectly, by the Administrative Agent, the CP Conduit Purchasers or any Committed Purchaser of the Transferred Interest or any of the other transactions contemplated hereby or thereby, excluding, however, (i) Indemnified Amounts to the extent relating to or resulting from (x) gross negligence or willful misconduct on the part of any Indemnified Party or (y) recourse (except as

otherwise specifically provided in this Agreement) for uncollectible Receivables or (ii) all taxes (other than Indemnified Taxes). Without limiting the generality of the foregoing, the Transferor shall indemnify each Indemnified Party for Indemnified Amounts (without duplication of amounts for which any Indemnified Party is effectively held harmless under any other provision hereof) relating to or resulting from:

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(a) any representation or warranty made in writing by the Transferor, Tyson as Collection Agent, or the Sellers or any Responsible Officer of the Transferor, Tyson as Collection Agent, or the Sellers under or in connection with this Agreement, any of the other Transaction Documents, any Weekly Report, any Settlement Statement or any other information or report delivered by any of them pursuant hereto or thereto, which shall have been false or incorrect in any material respect when made or deemed made;

(b) the failure by the Transferor, Tyson as the Collection Agent, or the Sellers to comply with any applicable law, rule or regulation with respect to any Receivable or the related Contract, or the nonconformity of any Receivable or the related Contract with any such applicable law, rule or regulation;

(c) the failure to either (x) vest and maintain vested in the Administrative Agent, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, an undivided first priority, perfected percentage ownership interest, to the extent of the Transferred Interest, in the Receivables and Related Security, Collections and Proceeds with respect thereto, free and clear of any Adverse Claim or (y) to create or maintain a valid and perfected first priority security interest in favor of the Administrative Agent, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, in the Transferor's interest in the Receivables and Related Security, Collections and Proceeds with respect thereto, free and clear of any Adverse Claim (other than any Adverse Claim created by or through the CP Conduit Purchasers or the Committed Purchasers);

(d) the failure to file, or any delay in filing, financing statements, continuation statements, or other similar instruments or documents under the Relevant UCC or other applicable laws with respect to any of the Receivables or Related Security, Collections and Proceeds with respect thereto;

(e) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of merchandise or services related to such Receivable or the furnishing or failure to furnish such merchandise or services, or failure to diligently pursue the collection of any Receivable (if such collection activities were performed by the Transferor or any of its Affiliates acting as the Collection Agent);

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(f) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with merchandise or services which are the subject of any Receivable;

(g) the transfer of an ownership interest in any Receivable other than pursuant to the Transaction Documents;

(h) the failure by any of the Transferor, Tyson as the Collection Agent, or the Sellers to comply with any term, provision or covenant contained in this Agreement or any of the other Transaction Documents to which it is a party or to perform any duty or obligation in accordance with the provisions hereof or thereof or to perform any of its duties or obligations under the Contracts;

(i) the Percentage Factor exceeding the Maximum Percentage Factor at any time on or prior to the Termination Date;

(j) the failure of the Sellers to pay when due any taxes, including without limitation, sales, excise or personal property taxes payable in connection with any of the Receivables with respect to which an Indemnified Party may be held liable as a transferee of such Receivables;

(k) any repayment by any Indemnified Party of any amount previously distributed in reduction of Net Investment which such Indemnified Party believes in good faith is required to be made;

(l) the commingling by the Transferor, the Sellers or Tyson as Collection Agent, of Collections of Receivables at any time with other

funds;

(m) any investigation, litigation or proceeding related to this Agreement, any of the other Transaction Documents, the use of proceeds of Transfers by the Transferor or the Sellers, the ownership of Transferred Interests, or any Receivable, Related Security or Contract;

(n) the failure of any Lockbox Bank to remit any amounts held in the Lockbox Accounts pursuant to the instructions of the Collection Agent, the Transferor, the Sellers or the Administrative Agent (to the extent such Person is entitled to give such instructions in accordance with the terms hereof and of any applicable Lockbox Agreement) whether by reason of the exercise of set-off rights or otherwise;

(o) any inability to obtain any judgment in or utilize the court or other adjudication system of, any state in which an Obligor may be located as a result of the failure of the Transferor or the Sellers to qualify to do business or file any notice of business activity report or any similar report;

(p) any failure of the Transferor to give reasonably equivalent value to the Sellers in consideration of the purchase by the Transferor from the Sellers of any Receivable, or any attempt by any Person to void, rescind or set aside any such transfer under statutory provisions or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code; or

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(q) any action taken by the Transferor, the Sellers or the Collection Agent in the enforcement or collection of any Receivable;

provided, however, that the Transferor shall not be liable for Indemnified Amounts attributable to the fraud, negligence, breach of fiduciary duty or willful misconduct of the Collection Agent in the enforcement or collection of any Receivable if the Collection Agent is not Tyson or an Affiliate of Tyson; provided, further, that if any CP Conduit Purchaser enters into agreements for the purchase of interests in Receivables from one or more Other Transferors, such CP Conduit Purchaser shall equitably allocate such Indemnified Amounts to the Transferor and each Other Transferor; and provided, further, that if such Indemnified Amounts are attributable solely to the Transferor, the Transferor shall be solely liable for such Indemnified Amounts, and if such Indemnified Amounts are attributable solely to Other Transferors, such Other Transferors shall be solely liable for such Indemnified Amounts.

SECTION 2.21 Indemnity for Reserves and Expenses (a) If after the date hereof, the adoption of any Law or bank regulation or regulatory guideline or any amendment or change in the interpretation of any existing or future Law or bank regulation or regulatory guideline by any Official Body charged with the administration, interpretation or application thereof, or the compliance with any directive of any Official Body (in the case of any bank regulation or regulatory guideline, whether or not having the force of Law), other than Laws, interpretations, guidelines or directives relating to Taxes:

(i) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, any Indemnified Party or shall impose on any Indemnified Party or on the United States market for certificates of deposit or the London interbank market any other condition affecting this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Transferred Interest, the Receivables or payments of amounts due hereunder or its obligation to advance funds hereunder or under the other Transaction Documents; or

(ii) imposes upon any Indemnified Party any other expense (including, without limitation, reasonable attorneys' fees and expenses, and expenses of litigation or preparation therefor in contesting any of the foregoing to the extent attributable to this Agreement or any other Transaction Document) with respect to this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Transferred Interest, the Receivables or payments of amounts due hereunder or its obligation to advance funds hereunder or otherwise in respect of this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Transferred Interests or the Receivables;

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and the result of any of the foregoing is to increase the cost to such Indemnified Party with respect to this Agreement, the other Transaction Documents, the ownership, maintenance or financing of the Transferred Interest, the Receivables, the obligations hereunder, the funding of any

Purchases hereunder or under the other Transaction Documents, by an amount deemed by such Indemnified Party to be material, then, within ten (10) Business Days after demand by such Indemnified Party through the Administrative Agent acting at the direction of the applicable Funding Agent, the Transferor shall pay to the Administrative Agent, for the benefit of such Indemnified Party, such additional amount or amounts (other than with respect to taxes) as will compensate such Indemnified Party for such increased cost or reduction; provided that no such amount shall be payable with respect to any period commencing more than 120 days prior to the date the Administrative Agent, acting at the direction of the applicable Funding Agent, first notifies the Transferor of its intention to demand compensation therefor under this Section 2.21; provided further that if such change in Law, rule or regulation giving rise to such increased costs or reductions is retroactive, then such 120-day period shall be extended to include the period of retroactive effect thereof if such demand is made within 60 days after such change is effective. In making demand hereunder, the applicable Indemnified Party shall submit to the Transferor a certificate as to such increased costs incurred which shall provide in reasonable detail the basis for such claim.

(b) If any Indemnified Party shall have determined that after the date hereof, the adoption of any applicable Law or bank regulation or regulatory guideline regarding capital adequacy, or any change therein, or any change in the interpretation thereof by any Official Body, or any directive regarding capital adequacy (in the case of any bank regulatory guideline, whether or not having the force of law) of any such Official Body, has or would have the effect of reducing the rate of return on capital of such Indemnified Party (or its parent) as a consequence of such Indemnified Party's obligations hereunder or with respect hereto to a level below that which such Indemnified Party (or its parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Indemnified Party to be material, then from time to time, within ten (10) Business Days after demand by such Indemnified Party through the Administrative Agent acting at the direction of the applicable Funding Agent, the Transferor shall pay to the Administrative Agent, for the benefit of such Indemnified Party, such additional amount or amounts (other than with respect to taxes) as will compensate such Indemnified Party (or its parent) for such reduction; provided that no such amount shall be payable with respect to any period commencing more than 120 days prior to the date the Administrative Agent first notifies the Transferor of its intention to demand compensation therefor under this Section 2.21(b); provided further that if such change in Law, rule or regulation giving rise to such increased costs or reductions is retroactive, then such 120-day period shall be extended to include the period of retroactive effect thereof if such demand is made within 60 days after such change is effective. In making demand hereunder, the applicable Indemnified Party shall submit to the Transferor a certificate as to such increased costs incurred which shall provide in reasonable detail the basis for such claim.

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(c) Anything in this Section 2.21 to the contrary notwithstanding, if any CP Conduit Purchaser enters into agreements for the acquisition of interests in receivables from one or more Other Transferors, such CP Conduit Purchaser shall equitably allocate the liability for any amounts under this Section 2.21 (" Section 2.21 Costs ") to the Transferor and each Other Transferor; provided, however, that if such Section 2.21 Costs are attributable to the Transferor and not attributable to any Other Transferor, the Transferor shall be solely liable for such Section 2.21 Costs or if such Section 2.21 Costs are attributable to Other Transferors and not attributable to the Transferor, such Other Transferors shall be solely liable for such Section 2.21 Costs.

SECTION 2.22 Indemnity for Taxes (a) All payments made by the Transferor or the Collection Agent to the Administrative Agent for the benefit of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers under this Agreement and any other Transaction Document shall be made free and clear of, and without deduction or withholding for or on account of any Indemnified Taxes. If any such Indemnified Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Indemnified Party hereunder, (i) the amounts so payable to the Administrative Agent or such Indemnified Party shall be increased to the extent necessary to yield to the Administrative Agent or such Indemnified Party (after payment of all Indemnified Taxes) all amounts payable hereunder at the rates or in the amounts specified in this Agreement and the other Transaction Documents and (ii) the Transferor or the Collection Agent, as the case may be, shall make such deductions or withholdings and shall pay the amount so deducted or withheld to the applicable Official Body in accordance with the applicable law. The Transferor shall indemnify the Administrative Agent or any Indemnified Party for the full amount of any Indemnified Taxes paid by the Administrative Agent or the Indemnified Party within ten (10) Business Days after the date of written demand therefor by the Administrative Agent or such Indemnified Party if the Administrative Agent or such Indemnified Party, as the case may be, has delivered to the Transferor a certificate signed by an officer of the Administrative Agent or such Indemnified Party, as the case may be, setting forth in reasonable detail the amount so paid and the computations made to determine such amount. Such certificate shall be conclusive absent manifest error.

(b) Each Indemnified Party that is not a United States person (within the meaning of Section 7701(a)(30) of the Code) (a "United States Person ") shall:

(i) at the time such Indemnified Party becomes a party to this Agreement or the Transaction Documents, deliver to the Transferor and the Administrative Agent (A) two duly completed copies of IRS Form W-8ECI, or successor applicable form, as the case may be, and (B) an IRS Form W-8BEN or W-9, or successor applicable form, as the case may be;

(ii) deliver to the Transferor and the Administrative Agent two (2) further copies of any such form or certification on or before the date that any such form or certification expires or becomes obsolete and after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Transferor or the Administrative Agent; and

(iii) obtain such extensions of time for filing and complete such forms or certifications as may reasonably be requested by the Transferor or the Administrative Agent;

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unless, in the case of (ii) and (iii) above, any change in treaty, law regulation, governmental rule, guideline order, or official application or official interpretation thereof has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Indemnified Party from duly completing and delivering any such form with respect to it, and such Indemnified Party so advises the Transferor and the Administrative Agent. Each such Indemnified Party that is not a United States person (A) shall certify (i) in the case of an IRS Form W-8ECI, or successor applicable form, that it is entitled to receive payments under this Agreement and the other Transaction Documents without deduction or withholding of any United States federal income taxes and (ii) in the case of an IRS Form W-8BEN or IRS Form W-9, or successor applicable form, that it is entitled to an exemption from United States backup withholding tax and (B) shall agree to provide any other certification and documentation as required by the applicable law that is reasonably requested by the Transferor, the Sellers or the Collection Agent. Each Person that is a Purchaser or Participant hereunder, or which otherwise becomes a party to this Agreement and the other Transaction Documents as a Committed Purchaser, shall, prior to the effectiveness of such assignment, participation or addition, as applicable, be required to provide all of the forms and statements required pursuant to this Section 2.22.

SECTION 2.23 Other Costs, Expenses and Related Matters (a) The Transferor agrees, upon receipt of a written invoice, to pay or cause to be paid, and to save the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers and each Funding Agent harmless against liability for the payment of, all reasonable out-of-pocket expenses (including, without limitation, reasonable attorneys', accountants', rating agencies' and other third parties' fees and expenses, any filing fees and expenses incurred by officers or employees of the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers and/or the Funding Agents) or intangible, documentary or recording taxes incurred by or on behalf of the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents (i) in connection with the negotiation, execution, delivery and preparation of this Agreement, the other Transaction Documents and any documents or instruments delivered pursuant hereto and thereto and the transactions contemplated hereby or thereby (including, without limitation, the perfection or protection of the Transferred Interest) and (ii) (A) relating to any amendments, waivers or consents under this Agreement, any Asset Purchase Agreement and the other Transaction Documents, (B) arising in connection with the Administrative Agent's, the CP Conduit Purchasers', the Committed Purchasers' or the Funding Agents' enforcement or preservation of rights (including, without limitation, the perfection and protection of the Transferred Interest under this Agreement), or (C) arising in connection with any audit, dispute, disagreement, litigation or preparation for litigation involving this Agreement or any of the other Transaction Documents (all of such amounts, collectively, "Transaction Costs"). All Transaction Costs owed by the Transferor pursuant to this subsection 2.23(a) shall be payable in accordance with Section 2.05 and 2.06.

(b) The Transferor shall pay the Administrative Agent, for the account of the relevant CP Conduit Purchasers and the Committed Purchasers, as applicable, on demand (i) any Early Collection Fee due on account of the reduction of a Tranche on any day prior to the last day of its Tranche Period or (ii) with respect to the replacement of Nieuw Amsterdam as CP Conduit Purchaser or Committed Purchaser pursuant to Section 10.14, the excess, if any, of (i) the additional Discount that Nieuw Amsterdam, as CP Conduit Purchaser or Committed Purchaser, would have accrued on its Net Investment, during the Tranche Period in which it is replaced, if Nieuw Amsterdam had not been replaced as CP Conduit Purchaser or Committed Purchaser, minus (ii) the income, if any, received by Nieuw Amsterdam from investing the funds received with respect to its Net Investment due to such replacement for the remainder of such Tranche Period.

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(c) The Administrative Agent, at the request of any Funding Agent, will within forty-five (45) days after receipt of notice of any event occurring after the date hereof which will entitle an Indemnified Party to compensation pursuant to this Article II, notify the Transferor in writing of such event. Any notice by a Funding Agent claiming compensation under this Article II and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error, provided that such claim is made in good faith and on a reasonable basis. In determining such amount, the applicable Funding Agent or any applicable Indemnified Party may use any reasonable averaging and attributing methods.

(d) If the Transferor is required to pay any additional amount to any Committed Purchaser pursuant to Sections 2.21 or 2.22, then such Committed Purchaser shall use reasonable efforts (which shall not require such Committed Purchaser to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden reasonably deemed by it to be significant) (A) to file any certificate or document reasonably requested in writing by the Transferor or (B) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce amounts payable pursuant to Sections 2.21 or 2.22, as the case may be, in the future.

SECTION 2.24 Funding Agents (a) The Funding Agent with respect to each CP Conduit Purchaser and Committed Purchaser is

hereby authorized to record on each Business Day the CP Conduit Funded Amount with respect to such CP Conduit Purchaser and the aggregate amount of Discount and Fees accruing with respect thereto on such Business Day and the Committed Purchaser Funded Amount with respect to such Committed Purchaser and the aggregate amount of Discount and Fees accruing with respect thereto on such Business Day. Any such recordations by a Funding Agent, absent manifest error, shall constitute prima facie evidence of the accuracy of the information so recorded. The Funding Agents will report the aggregate amounts due to the CP Conduit Purchasers and the Committed Purchasers as of any Settlement Date or Weekly Settlement Date, as applicable, to the Transferor, the Collection Agent and the Administrative Agent not later than two (2) Business Days prior to such Settlement Date. Furthermore, the Funding Agent with respect to each CP Conduit Purchaser and Committed Purchaser will maintain records sufficient to identify the percentage interest of such CP Conduit Purchaser and such Committed Purchaser in the Receivables and any amounts owing thereunder.

(b) Upon receipt of funds from the Administrative Agent on each Settlement Date pursuant to Sections 2.05 and 2.06, each Funding Agent shall pay such funds to the related CP Conduit Purchaser and/or the related Committed Purchaser owed such funds in accordance with the recordations maintained by it in accordance with Section 2.24(a). If a Funding Agent shall have paid to any CP Conduit Purchaser or Committed Purchaser any funds that (i) must be returned for any reason (including bankruptcy) or (ii) exceeds that which such CP Conduit Purchaser or Committed Purchaser was entitled to receive, such amount shall be promptly repaid to such Funding Agent by such CP Conduit Purchaser or Committed Purchaser.

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SECTION 2.25 Use of Historical Data Where necessary to calculate any ratios or other amounts under this Agreement with reference to periods prior to the Closing Date, historical data shall be used.

SECTION 2.26 Expiration or Extension of Commitments The Transferor may request the extension of any Committed Purchaser's Facility A Commitment Expiry Date for an additional 364 days, and such request shall be made no later than 60 days prior to such Committed Purchaser's Facility A Commitment Expiry Date then in effect. Each Committed Purchaser may elect to extend or not to extend its commitment upon receipt of such request by written notice given to the Transferor, the Administrative Agent and the applicable CP Conduit Purchaser no later than 30 days prior to such Committed Purchaser's Facility A Commitment Expiry Date then in effect. Any such extension of a Committed Purchaser's Facility A Commitment Expiry Date shall be effective only if the Rating Agencies have provided Rating Confirmations, on or before such Committed Purchaser's then-effective Facility A Commitment Expiry Date. If no such notice is given at least 30 days before such date, the Commitment of such Committed Purchaser shall be deemed to have not been extended. On the Business Day after the Commitment Expiry Date of any non-extending Committed Purchaser, a Partial Liquidation shall be implemented with respect to such non-extending Committed Purchaser.

ARTICLE III

Representations and Warranties

SECTION 3.01 Representations and Warranties of the Transferor The Transferor hereby represents and warrants to the Administrative Agent, the Funding Agents, the CP Conduit Purchasers and the Committed Purchasers that:

(a) Corporate Existence and Power. The Transferor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all corporate power and all material governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is now conducted. The Transferor is duly qualified (or has duly applied for such qualification) to do business in, and is in good standing in, every other jurisdiction in which the nature of its business requires it to be so qualified, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

(b) Corporate and Governmental Authorization; Contravention. The execution, delivery and performance by the Transferor of this Agreement and the other Transaction Documents to which the Transferor is a party are within the Transferor's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Official Body or official thereof, and do not contravene any provision of applicable law, rule or regulation or of the Certificate of Incorporation or Bylaws of the Transferor or constitute a default under any agreement or any judgment, injunction, order, writ, decree or other instrument binding upon the Transferor or result in the creation or imposition of any Adverse Claim on the assets of the Transferor (except as contemplated by Section 2.09 hereof).

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(c) Binding Effect. Each of this Agreement and the other Transaction Documents to which the Transferor is a party constitutes, and the Transfer Certificate, upon payment of the Transfer Price for the initial Incremental Transfer, will constitute the legal, valid and binding obligation of the Transferor, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization,

fraudulent conveyance, moratorium or other similar laws affecting the rights of creditors generally and general equitable principles (whether considered in a proceeding at law or in equity).

(d) Perfection. Immediately preceding each Transfer hereunder, the Transferor shall be the owner of all of the Receivables, free and clear of all Adverse Claims (except as contemplated by Section 2.09 hereof). On or prior to each Transfer and each recomputation of the Transferred Interest, all financing statements and other documents required to be recorded or filed in order to perfect and protect the Transferred Interest against all creditors of, and purchasers from, the Transferor and the Sellers will have been duly filed in each filing office necessary for such purpose, and all filing fees and taxes, if any, payable in connection with such filings shall have been paid in full.

(e) Accuracy of Information. All information heretofore furnished by or on behalf of the Transferor or the Collection Agent (including, without limitation, the Weekly Reports, the Settlement Statements, any other reports delivered pursuant to the terms of this Agreement and the Transferor's financial statements) to any CP Conduit Purchaser, any Committed Purchaser, any Funding Agent or the Administrative Agent for purposes of, or in connection with, this Agreement and the other Transaction Documents are, and all such information hereafter furnished by or on behalf of the Transferor to any CP Conduit Purchaser, any Committed Purchaser, any Funding Agent or the Administrative Agent will be, true and accurate in every material respect, on the date such information is stated or certified.

(f) Tax Status. The Transferor has filed all material tax returns (Federal, state and local) required to be filed and has paid or made adequate provision for the payment of all material taxes, assessments and other governmental charges other than taxes or filings contested in good faith or taxes which are not yet due and payable, and for which adequate reserves have been established in accordance with GAAP consistently applied.

(g) Action, Suits. There are no actions, suits or proceedings pending or, to the knowledge of the Transferor threatened, against or affecting the Transferor or its properties, in or before any court, arbitrator or other Official Body, which could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, except as set forth in Exhibit F concerning Affiliates of the Transferor.

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(h) Use of Proceeds. No proceeds of any Transfer will be used by the Transferor to acquire any security in any transaction which violates Regulation T, U or X of the Federal Reserve Board.

(i) Jurisdiction of Organization, Etc. The principal place of business and chief executive office of the Transferor are located at the address of the Transferor indicated in Section 10.03 hereof, and the jurisdiction of organization and offices where the Transferor keeps all its Records, are located at the address(es) described on Schedule I to the Receivables Purchase Agreement or such other locations notified to the Administrative Agent in accordance with Section 2.09 hereof in jurisdictions where all action required by Section 2.09 hereof has been taken and completed.

(j) Good Title. Upon each Transfer and each recomputation of the Transferred Interest, the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall acquire (A) a valid and perfected first priority undivided percentage ownership interest to the extent of the Transferred Interest or (B) a first priority perfected security interest in each Receivable that exists on the date of such Transfer and recomputation and in the Related Security, Collections and Proceeds with respect thereto, in either case free and clear of any Adverse Claim.

(k) Trade Names, etc. As of the date hereof: (i) the Transferor's chief executive office is located at the address for notices set forth in Section 10.03 hereof; (ii) the Transferor has no subsidiaries or divisions; and (iii) the Transferor has, within the last five (5) years, operated only under the trade names identified in Exhibit G hereto, and, within the last five (5) years, has not changed its name, merged with or into or consolidated with any other corporation or been the subject of any proceeding under Title 11, United States Code (Bankruptcy), except as disclosed in Exhibit G hereto.

(l) Nature of Receivables. Each Receivable (x) represented by the Transferor or the Collection Agent to be an Eligible Receivable (including in any Settlement Statement or other report delivered pursuant to Section 2.12 hereof) or (y) included in the calculation of the Net Receivables Balance in fact satisfies at such time the definition of "Eligible Receivable."

(m) Coverage Requirement; Amount of Receivables. The Percentage Factor does not exceed the Maximum Percentage Factor. As of September 29, 2001 the aggregate Outstanding Balance of the Receivables in existence was \$1,276,589,000, and the Net Receivables Balance was \$1,006,745,000.

(n) Credit and Collection Policy. Since the Closing Date, there have been no material changes in the Credit and Collection Policy, other than as permitted hereunder. Since the Closing Date, no material adverse change has occurred in the overall rate of collection of the Receivables.

(o) Collections and Servicing. Since July 31, 2001, there has been no material adverse change in the ability of the Collection Agent,

(p) No Termination Event. No event has occurred and is continuing and no condition exists which constitutes a Termination Event or a Potential Termination Event.

(q) Not an Investment Company. The Transferor is not, and is not controlled by, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or is exempt from all provisions of such Act.

(r) ERISA. Each of the Transferor and its ERISA Affiliates is in compliance with ERISA except for any compliance which would not reasonably be expected to have a Material Adverse Effect, and no lien exists in favor of the Pension Benefit Guaranty Corporation on any of the Receivables.

(s) Lockbox Accounts. The names and addresses of all the Lockbox Banks, together with the account numbers of the Lockbox Accounts at such Lockbox Banks, are specified in Exhibit B hereto (or at such other Lockbox Banks and/or with such other Lockbox Accounts as have been notified to the Administrative Agent and the Funding Agents for the CP Conduit Purchasers and the Committed Purchasers and for which Lockbox Agreements have been executed in accordance with Section 2.09(b) hereof and delivered to the Collection Agent). All Obligor have been instructed to make payment to a Lockbox Account, and only Collections are deposited into a Lockbox Account.

(t) Bulk Sales. No transaction contemplated hereby or by the Receivables Purchase Agreement requires compliance with any "bulk sales" act or similar law.

(u) Transfers Under Receivables Purchase Agreement. Each Receivable which has been transferred to the Transferor by any Seller has been purchased by the Transferor from the Seller pursuant to, and in accordance with, the terms of the Receivables Purchase Agreement.

(v) Preference; Voidability. The Transferor shall have given reasonably equivalent value to each Seller in consideration for the transfer to the Transferor of the Receivables and Related Security, Collections and Proceeds with respect thereto from the Seller, and each such transfer shall not have been made for or on account of an antecedent debt owed by the Seller to the Transferor, and no such transfer is or may be voidable under any Section of the Bankruptcy Reform Act of 1978 (11 U.S.C. " 101 et seq.), as amended (the "Bankruptcy Code").

(w) Subsidiaries. The Transferor shall not have any subsidiaries.

Any document, instrument, certificate or notice delivered to the Administrative Agent or any Funding Agent by the Transferor or any agent of the Transferor hereunder shall be deemed a representation and warranty by the Transferor.

SECTION 3.02 Reaffirmation of Representations and Warranties by the Transferor On each day that a Transfer is made hereunder, the Transferor, by accepting the proceeds of such Transfer, whether delivered to the Transferor pursuant to Section 2.02(a) or Section 2.05 hereof, shall be deemed to have certified that all representations and warranties described in Section 3.01 hereof are true and correct on and as of such day as though made on and as of such day.

ARTICLE IV

Conditions Precedent

SECTION 4.01 Conditions to Effectiveness This Agreement shall become effective on the first day on which the Administrative Agent shall have received the following documents, instruments and Fees, all of which shall be in a form and substance acceptable to each Funding Agent:

(a) A Certificate of the Secretary or Assistant Secretary of the Transferor in substantially the form of Exhibit H hereto certifying (i) the names and signatures of the officers and employees authorized on its behalf to execute this Agreement and any other documents to be delivered by it hereunder (on which Certificate the Administrative Agent, the Funding Agents, the CP Conduit Purchasers and the Committed Purchasers may conclusively rely until such time as the Administrative Agent shall receive from the Transferor a revised Certificate meeting the requirements of this clause (a)(i)), (ii) a copy of the Transferor's Certificate of Incorporation, certified by the Secretary of State of the State of Delaware, (iii) a copy of the Transferor's By-Laws, (iv) a copy of resolutions of the Board of Directors of the Transferor approving this

transaction and (v) certificates of the Secretary of State of the State of Delaware certifying the Transferor's good standing under the laws of the State of Delaware.

(b) A Certificate of the Secretary or Assistant Secretary of each Seller in substantially the form of Exhibit H hereto certifying (i) the names and signatures of the officers and employees authorized on its behalf to execute the Receivables Purchase Agreement and any other documents to be delivered by it (on which Certificate the Administrative Agent, the Funding Agents, the CP Conduit Purchasers and the Committed Purchasers may conclusively rely until such time as the Administrative Agent shall receive from the Seller a revised Certificate meeting the requirements of this clause (b)(i)), (ii) a copy of the Seller's certificate of incorporation, certified by the Secretary of State of the state of such Seller's incorporation, (iii) a copy of the Seller's By-Laws, (iv) a copy of resolutions of the Board of Directors of the Seller approving this transaction and (v) certificates of the Secretary of State of the state of such Seller's incorporation, certifying the Seller's good standing under the laws of such state.

(c) Acknowledgment copies evidencing the filing in the appropriate filing offices of proper financing statements (Form UCC-1), naming the Transferor as the debtor, the Administrative Agent, as secured party, and of such other similar instruments or documents as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable under the Relevant UCC of all appropriate jurisdictions or any comparable law to perfect the Administrative Agent's security interest in all Receivables, Related Security, Proceeds and Collections.

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(d) Acknowledgment copies evidencing the filing in the appropriate filing offices of proper financing statements (Form UCC-1), naming each Seller as debtor, the Transferor as secured party, and the Administrative Agent, as assignee of the secured party, and of such other similar instruments or documents as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable under the Relevant UCC of all appropriate jurisdictions or any comparable law to perfect the Transferor's ownership or security interest in all Receivables, Related Security and Collections.

(e) Acknowledgment copies evidencing the filing in the appropriate filing offices of proper financing statements (Form UCC-3), if any, necessary to terminate or assign to the Administrative Agent all security interests and other rights of any person in Receivables previously granted by the Transferor.

(f) Acknowledgment copies evidencing the filing in the appropriate filing offices of proper financing statements (Form UCC-3), if any, necessary to terminate or assign to the Administrative Agent all security interests and other rights of any person in Receivables, Related Security or Proceeds previously granted by the Sellers.

(g) Certified copies of request for information or copies (Form UCC-11) (or a similar search report certified by parties acceptable to the Administrative Agent), dated a date reasonably near the Closing Date, listing all effective financing statements which name the Transferor and any Seller (under their respective present names and any previous names) as debtor and which are filed in jurisdictions in which the filings were made pursuant to item (c), (d), (e) or (f) above together with copies of such financing statements (none of which, except for those filed pursuant to item (c) or (d) or those terminated pursuant to item (e) or (f), shall cover any Receivables, Related Security or Contracts).

(h) Executed copies of the Lockbox Agreements relating to each of the Lockbox Banks and the Lockbox Accounts and evidence satisfactory to the Administrative Agent of the establishment of the Collection Account.

(i) An opinion of Kutak Rock L.L.P., special counsel to the Transferor and the Sellers, addressed to the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Rating Agencies, regarding substantive consolidation in the event of a bankruptcy of Tyson or any Seller and true sale between each Seller and the Transferor.

(j) Opinions of special counsel to the Seller and the Transferor in the states of Arkansas, Delaware, Illinois, Iowa, Oklahoma, Texas, Wisconsin addressed to the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Rating Agencies, regarding perfection and priority of the interest granted by the Seller to the Transferor and the security interest granted by the Transferor to the Administrative Agent.

(k) An opinion of Kutak Rock, L.L.P., special counsel to the Transferor and the Seller, addressed to the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Rating Agencies, regarding the enforceability of the Transaction Documents to which each is a party and other corporate matters.

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(l) An opinion of general counsel or assistant general counsel of Tyson, addressed to the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents.

(m) An executed copy of this Agreement and each other Transaction Document to be executed by the Transferor and the Sellers.

(n) A Settlement Statement for September 2001.

(o) The most recent audited and unaudited consolidated financial statements of Tyson and a balance sheet of the Transferor certified by its chief financial officer.

(p) All Fees required to be paid on or prior to the Closing Date in accordance with the Fee Letter shall have been paid.

(q) (i) A written confirmation of PARCO's A-1 and P-1 CP rating by S&P and Moody's, respectively, (ii) a written confirmation of Nieuw Amsterdam's A-1, P-1 and F1 CP rating by S&P, Moody's and Fitch, respectively, and (iii) written confirmation of Three Pillars' A-1 and P-1 CP rating by S&P and Moody's, respectively.

(r) The performance of a review of the credit and collections procedures of the Sellers.

(s) Such other documents, instruments, certificates and opinions as the Administrative Agent or any Funding Agent shall reasonably request.

ARTICLE V

Covenants

SECTION 5.01 Affirmative Covenants of the Transferor At all times from the date hereof to the date on which all Commitments have been terminated, the Net Investment has been reduced to zero, and all accrued Discount, Fees, Servicing Fees and all other Aggregate Unpaid shall have been paid in full in cash:

(a) **Financial Reporting.** The Transferor will maintain a system of accounting established and administered in accordance with GAAP consistently applied, and the Transferor and Tyson will furnish to the Administrative Agent:

(i) **Annual Reporting.** Within 90 days after the close of the Transferor's fiscal year, audited financial statements of Tyson and unaudited financial statements of the Transferor, prepared in accordance with GAAP consistently applied, in the case of Tyson on a consolidated basis for Tyson and its Subsidiaries, including balance sheets as of the end of such period, related statements of income, shareholders' equity and cash flows, accompanied by (in the case of Tyson) an audit report certified (without a "going concern" qualification and without any qualification as to the scope of the audit) by a nationally recognized independent certified public accountants, acceptable to the Administrative Agent, prepared in accordance with generally accepted auditing standards and any management letter prepared by said accountants.

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(ii) **Quarterly Reporting.** Within 45 days after the close of the first three (3) quarterly periods of the Transferor's fiscal year, for (x) the Transferor and (y) for Tyson and its Subsidiaries, on a consolidated basis, unaudited balance sheets as at the close of each such period and related statements of income, shareholders' equity and cash flows in each case for the period from the beginning of such fiscal year to the end of such quarter, together with such other financial or other information as the Administrative Agent or any Funding Agent may reasonably request, in each case certified by its senior financial officer.

(iii) **Compliance Certificate.** Together with the financial statements required hereunder, a compliance certificate, substantially in the form of Exhibit N hereto, signed by the Transferor's chief financial officer stating that (x) the attached financial statements have been prepared in accordance with GAAP consistently applied and accurately reflect the financial condition of the Transferor or Tyson, as applicable, and (y) to the best of such Person's knowledge, no Termination Event or Potential Termination Event exists, or if any Termination Event or Potential Termination Event exists, stating the nature and status thereof.

(iv) **Notice of Termination Events or Potential Termination Events.** As soon as possible and in any event within one Business Day after the actual knowledge of a Responsible Officer of the Transferor of the occurrence of each Termination Event or each Potential Termination Event, a statement of the chief financial officer of the Transferor setting forth details of such Termination Event or Potential Termination Event and the action which the Transferor has taken or proposes to take with respect thereto.

(v) Change in Credit and Collection Policy. Within ten (10) Business Days after the date any material change in or amendment to the Credit and Collection Policy is made, a copy of the Credit and Collection Policy then in effect indicating such change or amendment.

(vi) Credit and Collection Policy. Within ninety (90) days after the close of each Seller's and the Transferor's fiscal years, a complete copy of the Credit and Collection Policy then in effect.

(vii) ERISA. Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any reportable event (as defined in Article IV of ERISA) which (A) the Transferor, any of the Sellers or any ERISA Affiliate of the Transferor or the Sellers files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor, or (B) the Transferor, any of the Sellers or any ERISA Affiliates of the Transferor or the Sellers receives from the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor.

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(viii) Settlement Statements. On each Settlement Statement Date, a Settlement Statement to the Administrative Agent, the Funding Agents and CP Conduit Purchasers.

(ix) Weekly Reports. During a Downgrade Condition, on each Weekly Settlement Date, a Weekly Report to the Administrative Agent, the Funding Agents and CP Conduit Purchasers.

(x) Other Information. Such other information (including non-financial information) as the Administrative Agent or any Funding Agent may from time to time reasonably request with respect to the Sellers, the Transferor or any Subsidiary of any of the foregoing, such information to be furnished to the Administrative Agent.

(b) Conduct of Business. The Transferor will carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted except any jurisdictions where the failure to maintain such authority could not reasonably be expected to have a Material Adverse Effect.

(c) Compliance with Laws. The Transferor will, and will cause each Seller and each Subsidiary of a Seller to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it or its respective properties may be subject, except to the extent that the failure to so comply with such laws, rules, regulations, writs, judgments, injunctions, decrees or awards would not materially adversely affect the ability of the Transferor to perform its obligations under this Agreement.

(d) Furnishing of Information and Inspection of Records. The Transferor will, and will cause each Seller to, furnish to the Administrative Agent from time to time such information with respect to the Receivables as the Administrative Agent or any Funding Agent may reasonably request, including, without limitation, listings identifying the Obligor and the Outstanding Balance for each Receivable, together with an aging of Receivables. The Transferor will, and will cause each Seller to, at any time and from time to time during regular business hours and upon reasonable notice, permit the Administrative Agent and each Funding Agent, or their agents or representatives, (i) to examine and make copies of and abstracts from all Records and (ii) to visit the offices and properties of the Transferor and the Sellers for the purpose of examining such Records, and to discuss matters relating to Receivables or the Transferor's and the Sellers' performance hereunder and under the other Transaction Documents to which such Person is a party with any of the officers or employees of the Transferor and the Sellers having knowledge of such matters.

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(e) Keeping of Records and Books of Account. The Transferor will, and will cause each Seller to, maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain, all documents, books, records and other information reasonably necessary or advisable for the collection of all Receivables (including, without limitation, records adequate to permit the daily identification of each new Receivable and all Collections of and adjustments to each existing Receivable). The Transferor will, and will cause each Seller to, give the Administrative Agent, each of the Funding Agents and each of the Committed Purchasers, prompt notice of any change in the administrative and operating procedures of the Transferor or such Seller, as applicable, referred to in the previous sentence to the extent such change may have a Material Adverse Effect.

(f) Performance and Compliance with Contracts. The Transferor, at its expense, will instruct the Collection Agent to, and to the extent applicable, timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by

the Transferor under the Contracts related to the Receivables.

(g) Credit and Collection Policies. The Transferor will instruct the Collection Agent and the Sellers to comply in all material respects with the Credit and Collection Policy in regard to each Receivable and the related Contract.

(h) Collections. The Transferor shall instruct the Collection Agent and the Sellers to instruct all Obligor to cause all Collections to be deposited directly to a Lockbox Account.

(i) Collections Received. The Transferor shall, and shall instruct the Collection Agent and the Sellers to, hold in trust, and deposit immediately (but in any event no later than one (1) Business Day following receipt thereof) to a Lockbox Account all Collections received from time to time by the Transferor, the Collection Agent and the Sellers, or with the consent of the Administrative Agent and the Required Committed Purchasers, to a segregated account satisfactory to the Administrative Agent and the Required Committed Purchasers.

(j) Sale Treatment. The Transferor will not account for (including for accounting purposes), or otherwise treat, the transactions contemplated by the Receivables Purchase Agreement in any manner other than as a sale of Receivables by the Sellers to the Transferor. In addition, the Transferor shall disclose (in a footnote or otherwise) in all of its financial statements (including any such financial statements consolidated with any other Persons' financial statements) the existence and nature of the transaction contemplated hereby and by the Receivables Purchase Agreement, the interest of the Transferor, the CP Conduit Purchasers and the Committed Purchasers in the Receivables and Related Security, Collections and Proceeds with respect thereto, and that the assets of the Transferor are not available to pay creditors of Tyson or the Sellers. For U.S. Federal, State and local income and franchise tax purposes, the transactions contemplated by this Agreement will be treated as a loan to the Transferor, secured by the assets acquired by the Transferor pursuant to the Receivables Purchase Agreement.

(k) Separate Business. The Transferor shall not engage in any business not permitted by its Certificate of Incorporation as in effect on the Closing Date.

(l) Corporate Documents. The Transferor shall only amend, alter, change or repeal its Certificate of Incorporation or the By-laws with the prior written consent of each Funding Agent which shall not be unreasonably withheld.

(m) Net Worth. The Transferor on the Closing Date shall have a net worth (as defined in accordance with GAAP) of at least \$190,000,000, and shall thereafter maintain at all times a net worth (as defined in accordance with GAAP), of at least \$140,000,000.

(n) Separate Corporate Existence. The Transferor shall:

(i) Maintain its own deposit account or accounts, separate from those of any Affiliate, with commercial banking institutions and use its commercially reasonable efforts to ensure that the funds of the Transferor will not be diverted to any other Person or for other than corporate uses of the Transferor and that, except as contemplated by Section 6.02(b) such funds will not be commingled with the funds of any Seller or any Subsidiary or Affiliate of the Sellers;

(ii) To the extent that it shares the same officers or other employees as any of its stockholders or Affiliates, fairly allocate among such entities the salaries of and the expenses related to providing benefits to such officers and other employees, and each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees;

(iii) To the extent that it jointly contracts with any of its stockholders or Affiliates to do business with vendors or service providers or to share overhead expenses, fairly allocate among such entities the costs incurred in so doing, and each such entity shall bear its fair share of such costs. To the extent that the Transferor contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods or services are provided, and each such entity shall bear its fair share of such costs;

(iv) Enter into all material transactions between the Transferor and any of its Affiliates, whether currently existing or hereafter entered into, only on an arm's length basis, it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause (iv);

(v) Maintain office space separate from the office space of the Sellers and any Affiliates of the Sellers. To the extent that the Transferor and any of its stockholders or Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses;

(vi) Issue separate unaudited financial statements prepared not less frequently than quarterly and prepared in accordance with GAAP consistently applied;

(vi) Conduct its affairs strictly in accordance with its certificate of incorporation and observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special stockholders' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts;

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(viii) Not assume or guarantee any of the liabilities of the Sellers or any Affiliate thereof;

(ix) Take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order to (x) ensure that the assumptions and factual recitations set forth in the Specified Bankruptcy Opinion Provisions remain true and correct with respect to the Transferor and (y) comply with those procedures described in such provisions which are applicable to the Transferor;

(x) Take such actions as are necessary to ensure that not less than one member of Transferor's Board of Directors shall be an individual who (1) is not, and never has been, a direct, indirect or beneficial stockholder, officer, director, employee, affiliate, associate, material supplier or material customer of the Collection Agent or any of its Affiliates, and (2) has experience as an independent director for a corporation whose charter documents required the unanimous consent of all independent directors thereof before such corporation could consent to the institution of bankruptcy or insolvency proceedings against it or before it could file a petition seeking relief under any applicable federal or state law relating to bankruptcy or insolvency, and (3) has at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities (the "Independent Directors"). The certificate of incorporation of the Transferor shall provide that (i) at least one member of the Transferor's Board of Directors shall be an Independent Director, (ii) the Transferor's Board of Directors shall not approve, or take any other action to cause the filing of, a voluntary bankruptcy petition with respect to the Transferor unless a unanimous vote of the Transferor's Board of Directors (which vote shall include the affirmative vote of each Independent Director) shall approve the taking of such action in writing prior to the taking of such action and (iii) the provisions requiring an independent director and the provision described in clauses (i) and (ii) of this paragraph (x) cannot be amended without the prior written consent of each Independent Director;

(xi) Take such actions as are necessary to ensure that no Independent Director shall at any time serve as a trustee in bankruptcy for the Transferor or any Affiliate thereof;

(xii) Take such actions as are necessary to ensure that the books of account, financial reports and corporate records of the Transferor will be maintained separately from those of Tyson and each other Affiliate of the Transferor;

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(xiii) Take such actions as are necessary to ensure that any financial statements of Tyson or any Affiliate thereof which are consolidated to include the Transferor will contain detailed notes clearly stating that (A) all of the Transferor's assets are owned by the Transferor, and (B) the Transferor is a separate corporate entity with its own separate creditors that will be entitled to be satisfied out of the Transferor's assets prior to any value in the Transferor becoming available to the Transferor's equity holders; and the accounting records of the Sellers will clearly show that, for accounting purposes, the Receivables and Related Security have been sold to the Transferor;

(xiv) Take such actions as are necessary to ensure that the Transferor's assets will be maintained in a manner that facilitates their identification and segregation from those of Tyson, the Sellers and other Affiliates of Tyson;

(xv) Take such actions as are necessary to ensure that no Affiliates of the Transferor shall, directly or indirectly, name the Transferor or enter into any agreement to name the Transferor a direct or contingent beneficiary or loss payee or any insurance policy covering the property of any such Affiliate; and

(xvi) Take such actions as are necessary to ensure that no Affiliate of the Transferor will be, nor will hold itself out to be, responsible for the debts of the Transferor or the decisions or actions in respect of the daily business and affairs of the

Transferor. The Transferor will immediately correct any known misrepresentation with respect to the foregoing, and the Transferor and its Affiliates will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealing with any other entity.

(o) Enforcement of Receivables Purchase Agreement. The Transferor shall use its best efforts to enforce all rights held by it under the Receivables Purchase Agreement and shall not waive any breach of any covenant contained in Section 5.01 thereunder.

(p) Further Assurances. (i) Tyson at the joint and several expense of Tyson and the Sellers, shall execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, from time to time, within a reasonable time period of such request, (A) such amendments or supplements to this Agreement and the Receivables Purchase Agreement as are requested by the Administrative Agent (acting at the direction of the Committed Purchasers necessary to approve such action pursuant to Section 10.02), and (B) such further instruments and take such further action, in each case, as may be reasonably necessary (as determined by the Funding Agents in consultation with Tyson), to obtain the confirmation of the current ratings assigned to the Commercial Paper (on an unwrapped basis), to the extent such ratings are attributable to the transactions contemplated hereby and the other Transaction Documents. In furtherance of the foregoing and thereafter from time to time as may be necessary, Tyson shall (A) cooperate with each of S&P, Moody's and/or Fitch in connection with any review of the Transaction Documents which may be undertaken by S&P, Moody's and or Fitch prior to the Closing Date and (B) provide each of S&P, Moody's and Fitch with such information or access to such information as they may reasonably request in connection with any future review of the ratings referred to above.

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(ii) Tyson will, at its expense, upon the request of the Administrative Agent (in consultation with the Funding Agents), from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, within a reasonable time period after such request, such amendments, supplements and further instruments as are reasonably necessary or advisable to minimize the CP Purchasers' and Committed Purchasers' exposure under PASA.

SECTION 5.02 Negative Covenants of the Transferor At all times from the date hereof to the date on which all Commitments have been terminated, the Net Investment has been reduced to zero, and all accrued Discount, Fees, Servicing Fees and all other Aggregate Unpaid shall have been paid in full in cash:

(a) No Sales, Liens, etc. Except as otherwise provided herein and in the Receivables Purchase Agreement, the Transferor will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon (or the filing of any financing statement) or with respect to (x) any of the Receivables or Related Security, or (y) any Lockbox Account.

(b) No Extension or Amendment of Receivables. Except as otherwise permitted in Section 6.02 hereof, the Transferor will not, and will not permit any Seller to, extend, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any Contract related thereto.

(c) New Credit and Collection Policy; No Change in Business or Credit and Collection Policy. Within 60 days after the Closing Date, Tyson and the Transferor will, and Tyson will cause each Seller to, replace the Credit and Collection Policies in effect on the Closing Date with a Credit and Collection Policy reasonably satisfactory to the Funding Agents. The Transferor will not, and will not permit any Seller to, make any change in the character of its business or in the Credit and Collection Policy as in effect from time to time, which change would have a Material Adverse Effect.

(d) No Mergers, etc. The Transferor will not without the prior written consent of each Funding Agent, and except as otherwise permitted pursuant to the Receivables Purchase Agreement, will not permit any Seller to, (i) consolidate or merge with or into any other Person, or (ii) sell, lease or transfer all or substantially all of its assets to any other Person, provided, that a Seller may merge with or into another Seller or with another Person if (A)(1) such Seller is the corporation surviving such consolidation or merger or (2) the Person into or with whom the Seller is merged or consolidated is an Affiliate and the surviving corporation assumes in writing all duties and liabilities of the Seller under the Transaction Documents, and (B) immediately after and giving effect to such consolidation or merger, no Termination Event or Potential Termination Event shall have occurred and be continuing.

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(e) Change in Payment Instructions to Obligors; Deposits to Lockbox Accounts; Notice of Legal Process Against Lockbox Account. The Transferor will not, and will not permit any Seller to, add or terminate any bank as a Lockbox Bank or any account as a Lockbox Account to or from those listed in Exhibit B hereto or make any change in its instructions to Obligors regarding payments to be made to any Lockbox Account, unless (i) such instructions are to deposit such payments to another existing Lockbox Account or (ii) the Administrative Agent shall

have received written notice of such addition, termination or change at least thirty (30) days prior thereto and the Administrative Agent shall have received a Lockbox Agreement executed by each new Lockbox Bank or an existing Lockbox Bank with respect to each new Lockbox Account, as applicable. The Transferor will not deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lockbox Account cash or cash proceeds other than Collections of Receivables. However, in the event any Seller deposits or otherwise credits, or cause or permits to be so deposited or credited, to any Lockbox Account, cash or cash proceeds other than Collections of Receivables, the Transferor shall, or shall cause such Seller to, segregate or cause to be segregated any such cash or cash proceeds from Collections within one (1) Business Day following the deposit or credit to any Lockbox Account. Promptly after a Responsible Officer of the Transferor or the Collection Agent receives notice or becomes aware that a lien, writ, garnishment or other legal process has been filed against the Transferor, Tyson, the Collection Agent, any Seller or any Lockbox Bank with respect to a Lockbox Account or Lockbox Agreement, the Transferor or the Collection Agent, as applicable, will notify the Administrative Agent thereof.

(f) Change of Name, etc. The Transferor will not, and will not permit a Seller to, change its name, jurisdiction of organization, form of organization, taxpayer identification number or state organizational number, unless at least ten (10) days prior to the effective date of any such change the Transferor delivers to the Administrative Agent (i) such documents, instruments or agreements, executed by the Transferor as are necessary to reflect such change and to continue the perfection of the Administrative Agent's ownership interests or security interests in the Receivables and Related Security, Collections and Proceeds with respect thereto and (ii) new or revised Lockbox Agreements executed by the Lockbox Banks which reflect such change and enable the Administrative Agent to continue to exercise its rights contained in Section 2.09 hereof.

(g) Amendment to Receivables Purchase Agreement. The Transferor will not, and will not permit any of the Sellers to, amend, modify, or supplement the Receivables Purchase Agreement, except with the prior written consent of each Funding Agent; nor shall the Transferor take, or permit any of the Sellers to take, any other action under the Receivables Purchase Agreement that shall have a material adverse effect on the Administrative Agent, any CP Conduit Purchaser or any Committed Purchaser or which is inconsistent with the terms of this Agreement.

(h) Other Debt. Except as provided for herein or in the Receivables Purchase Agreement, the Transferor will not create, incur, assume or suffer to exist any indebtedness whether current or funded, or any other liability other than (i) indebtedness of the Transferor representing fees, expenses and indemnities arising hereunder or under the Receivables Purchase Agreement (including the Subordinated Note) for the purchase price of the Receivables under the Receivables Purchase Agreement; (ii) other indebtedness incurred in the ordinary course of its business to the extent permitted by or required under any other Transaction Document and (iii) additional indebtedness in an amount not to exceed \$9,850 at any time outstanding.

(i) ERISA Matters. The Transferor will not, and will not permit any Seller to, (i) engage or permit any of its ERISA Affiliates to engage in any prohibited transaction (as defined in Section 4975 of the Code and Section 406 of ERISA) for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (ii) permit to exist any accumulated funding deficiency (as defined in Section 302(a) of ERISA and Section 412(a) of the Code) or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (iii) fail to make any payments to any Multiemployer Plan that the Transferor or any ERISA Affiliate of the Transferor is required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (iv) terminate any Benefit Plan so as to result in any liability to the Pension Benefit Guaranty Corporation; or (v) permit to exist any occurrence of any reportable event described in Title IV of ERISA which represents a material risk of a liability to the Transferor or any ERISA Affiliate of the Transferor under ERISA or the Code, if such prohibited transactions, accumulated funding deficiencies, failure to make payments, terminations and reportable events occurring within any fiscal year of the Transferor in the aggregate, involve a payment of money or an incurrence of liability by the Transferor or any ERISA Affiliate of the Transferor in an amount which would reasonably be expected to have a Material Adverse Effect.

(j) Payment to the Sellers. With respect to any Receivable sold by the Sellers to the Transferor, the Transferor shall, and shall cause the Sellers to, effect such sale under, and pursuant to the terms of, the Receivables Purchase Agreement, including, without limitation, the payment by the Transferor either in cash or by increase in the amount of the Subordinated Note of an amount equal to the purchase price for such Receivable as required by the terms of the Receivables Purchase Agreement.

(k) Financial Covenants. Tyson shall not amend, modify or waive the financial covenants set forth in (x) Sections 7.13 and 7.14 of the 364-Day Credit Agreement or (y) Sections 7.13 and 7.14 of the Five-Year Credit Agreement without the prior consent of the Administrative Agent and the Funding Agents.

ARTICLE VI

Administration and Collections

SECTION 6.01 Appointment of Collection Agent The servicing, administering and collection of the Receivables shall be conducted by such

Person (the " Collection Agent ") so designated from time to time in accordance with this Section 6.01. Until the Administrative Agent (at the direction of the Required Committed Purchasers) gives notice to Tyson of the designation of a new Collection Agent pursuant to this Section 6.01, Tyson is hereby designated as, and hereby agrees to perform the duties and obligations of, the Collection Agent pursuant to the terms hereof. The Collection Agent may not delegate any of its rights, duties or obligations hereunder, or designate a substitute Collection Agent, without the prior written consent of each Funding Agent; provided that Tyson shall be permitted to delegate its duties and obligations as Collection Agent hereunder to the Sellers or any of Tyson's Affiliates, but such delegation shall not relieve Tyson of its duties and obligations as Collection Agent hereunder. Any such delegation of the Collection Agent's obligations hereunder to an Affiliate shall be on terms and conditions agreed upon between the Collection Agent and such Affiliate. The Administrative Agent may, and upon the direction of the Required Committed Purchasers the Administrative Agent shall, but only after the occurrence of a Collection Agent Default or any other Termination Event, designate as Collection Agent any Person (including itself) to succeed Tyson or any successor Collection Agent, on the condition in each case that any such Person so designated shall agree to perform the duties and obligations of the Collection Agent pursuant to the terms hereof. Following a Collection Agent Default or a Termination Event, the Administrative Agent may notify any Obligor of the designation of a successor Collection Agent.

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SECTION 6.02 Duties of Collection Agent.

(a) The Collection Agent shall take or cause to be taken all such action as may be necessary or advisable to collect each Receivable from time to time all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the applicable Credit and Collection Policy. Each of the Transferor, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent, hereby appoints as its agent the Collection Agent, from time to time designated pursuant to Section 6.01 hereof, to enforce its respective rights and interests in and under the Receivables and Related Security, Collections and Proceeds with respect thereto. To the extent permitted by applicable law, the Transferor hereby grants to any Collection Agent appointed hereunder an irrevocable power of attorney to take in the Transferor's name and on behalf of the Transferor any and all steps necessary or desirable, in the reasonable determination of the Collection Agent, to collect all amounts due under any and all Receivables, including, without limitation, endorsing the Transferor's name on checks and other instruments representing Collections and enforcing such Receivables and the related Contracts. The Collection Agent shall set aside for the account of the Transferor, the CP Conduit Purchasers and the Committed Purchasers their respective allocable shares of the Collections of Receivables in accordance with Sections 2.05 and 2.06 hereof. The Collection Agent shall segregate and deposit to the Collection Account each CP Conduit Purchaser's and each Committed Purchaser's allocable share of Collections of Receivables when required pursuant to Article II hereof. The Collection Agent shall, and shall cause the Sellers to, hold in trust for the Transferor, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent, in accordance with their respective interests, all Records which evidence or relate to Receivables, Related Security or Collections. Notwithstanding anything to the contrary contained herein, the Administrative Agent shall have the absolute and unlimited right to direct the Collection Agent (whether the Collection Agent is Tyson or any other Person) to commence or settle any legal action to enforce collection of any Receivable or to foreclose upon or repossess any Related Security. The Collection Agent shall not make the Administrative Agent, any of the CP Conduit Purchasers, any of the Funding Agents or any of the Committed Purchasers a party to any litigation without the prior written consent of such Person.

(b) The Collection Agent shall, as soon as practicable following receipt thereof, segregate any funds deposited in a Lockbox Account or otherwise commingled and not attributable to a Receivable within one (1) Business Day of receipt thereof and remit such funds to the appropriate Person. If the Collection Agent is not the Transferor, Tyson, any Seller or an Affiliate of the Transferor or the Sellers, the Collection Agent, by giving three (3) Business Days' prior written notice to the Administrative Agent and each Funding Agent, may revise the Servicing Fee; provided that such revised Servicing Fee shall be a reasonable fee agreed upon by the Collection Agent, the Administrative Agent and each Funding Agent reflecting rates and terms prevailing at such time as would be negotiated on an arm's-length basis. The Collection Agent, if other than the Transferor, Tyson, any Seller or an Affiliate of the Transferor or the Sellers, shall as soon as practicable upon demand, deliver to the applicable Seller all Records in its possession which evidence or relate to indebtedness of an Obligor which is not a Receivable.

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(c) On or before ninety-five (95) days after the end of each fiscal year of the Collection Agent, beginning with the fiscal year ending September 28, 2002, the Collection Agent shall cause a firm of nationally recognized independent public accountants reasonably acceptable to the Administrative Agent (who may also render other services to the Collection Agent, the Transferor, the Sellers or any Affiliates of any of the foregoing), at the expense of the Transferor, to furnish a report to the Administrative Agent and the Transferor to the effect that they have:

(i) selected at least one Settlement Statement for each fiscal quarter delivered during the fiscal year then ended and verified that the amounts presented on such Settlement Statement relating to sales, total dilution, net sales, collections, promotional allowances, net write-offs, concentrations and aging of Receivables agreed with the information provided to the Collection

Agent by each Seller;

(ii) verified that the amounts presented on each Seller's reports to the Collection Agent for the periods selected in (i) above relating to sales, total dilution, net sales, collections, promotional allowances, net write-offs, concentrations and aging of Receivables agreed with the information contained within such Seller's underlying accounting records for such Settlement Period;

(iii) During a Downgrade Condition, selected at least one Weekly Report for each fiscal quarter (during which a Downgrade Condition had occurred or was continuing) delivered during the fiscal year then ended and verified that the amounts presented on such Weekly Report relating to sales, collections, concentrations and aging of Receivables agreed with the information provided to the Collection Agent by each Seller;

(iv) verified that the amounts presented on each Seller's reports to the Collection Agent for the periods selected in clause (iii) above relating to sales, collections, concentrations and aging of Receivables agreed with the information contained within such Seller's underlying accounting records for such period;

(v) recalculated the Net Receivables Balance from the Settlement Statements and Weekly Reports (if any) selected in clauses (i) and (iii) above and agreed as to the mathematical accuracy thereof;

(vi) with respect to the Settlement Statements selected in clause (i) above, selected a random sample of at least 100 credit memos issued for operational claims and promotional allowances and verified that such items agreed with the information contained in such Seller's accounting records;

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(vii) with respect to the Settlement Statements selected in clause (i) above, selected a random sample of at least 50 Receivables in the aggregate for all Sellers and verified that such Receivables satisfied the requirements of clauses (3), (4) and (8) of the definition of "Eligible Receivables";

(viii) with respect to Settlement Statements from two fiscal quarters selected in clause (i) above, conducted a "negative confirmation" or other alternative procedures of a random sample of at least 50 Receivables in the aggregate for all Sellers (which may be the same Receivables selected in clause (vii) above) and verified that each Seller's records and computer system used in servicing the Receivables contained correct information with regard to outstanding balances;

(ix) with respect to each Settlement Statement from two fiscal quarters selected in clause (i) above, selected a random sample of at least 50 Receivables in the aggregate for all Sellers (which may be the same Receivables selected in clause (vii) above) and verified that such Receivables were included in the proper aging category on such Settlement Statement based on the dates listed on the original invoices for such Receivables; and

(x) such other reasonable procedures identified by the Funding Agents and for which notice of such additional procedures shall have been given to the Collection Agent no later than 30 days after the end of such fiscal year.

except, in each case for (1) such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated) and (2) such other exceptions as shall be set forth in such statement.

(d) On or before sixty (60) days after the Closing Date, the Collection Agent shall cause a firm of nationally recognized independent public accountants reasonably acceptable to the Administrative Agent (who may also render services to the Collection Agent, the Transferor, the Sellers or any Affiliate of any of the foregoing), at the expense of the Transferor, to furnish a report to the Administrative Agent and the Transferor to the effect that for each fiscal quarter during the fiscal year ending September 29, 2001, they have:

(i) verified that the amounts presented on each Seller's report to the Collection Agent for each of the months ended December 2000, March 2001, June 2001 and September 2001 relating to sales, total dilution, net sales, collections, promotional allowances, write-offs, customer concentrations and aging of Receivables agreed with the information contained within such Seller's accounting records for each applicable Settlement Period;

(ii) with respect to the Seller's reports for the months of June 2001 and September 2001 referred to in clause (i) above, selected a random sample of at least 50 credit memos issued for operational claims and promotional allowances and verified that such items agreed with the information contained in such Seller's accounting records;

(iii) with respect to the Seller's reports for the months of June 2001 and September 2001 referred to in clause (i) above, selected a random sample of at least 50 Receivables in the aggregate for all Sellers and verified that such Receivables satisfied the requirements of clauses (3), (4) and (8) of the definition of "Eligible Receivables";

(iv) with respect to the Seller's reports for the months of June 2001 and September 2001 referred to in clause (i) above, conducted a "negative confirmation" or other alternative procedures of a random sample of at least 50 Receivables in the aggregate for all Sellers (which may be the same Receivables selected in clause (iii) above) and verified that each Seller's records and computer system used in servicing the Receivables contained correct information with regard to outstanding balances; and

(v) with respect to the Seller's reports for the months of June 2001 and September 2001 referred to in clause (i) above, selected a random sample of at least 50 Receivables in the aggregate for all Sellers (which may be the same Receivables selected in clause (iii) above) and verified that such Receivables were included in the proper aging category on such Settlement Statement based on the dates listed on the original invoices for such Receivables;

except, in each case for (1) such exceptions as such firm shall believe to be immaterial (which exceptions need not be enumerated) and (2) such other exceptions as shall be set forth in such statement.

(e) Notwithstanding anything to the contrary contained in this Article VI, the Collection Agent, if not the Transferor, Tyson, any Seller or any Affiliate of the Transferor or the Sellers, shall have no obligation to collect, enforce or take any other action described in this Article VI with respect to any indebtedness that is not included in the Transferred Interest other than to deliver to the Transferor the collections and documents with respect to any such indebtedness as described in Section 6.02(b) hereof.

SECTION 6.03 Rights After Designation of New Collection Agent At any time following the designation of a Collection Agent other than Tyson, any Seller or the Transferor pursuant to the penultimate sentence of Section 6.01 hereof:

(i) The Administrative Agent may, at its option, or shall, at the direction of the Required Committed Purchasers, direct that payment of all amounts payable under any Receivable be made directly to the Administrative Agent or its designee for the benefit of the CP Conduit Purchasers and the Committed Purchasers.

(ii) The Transferor shall, at the Administrative Agent's request and at the Transferor's expense, give notice of the CP Conduit Purchasers', the Transferor's and/or the Committed Purchasers' ownership of Receivables to each Obligor and direct that payments be made directly to the Administrative Agent or its designee.

(iii) The Transferor shall, at the Administrative Agent's request, (A) assemble all of the Records, and shall make the same available to the Administrative Agent or its designee at a place selected by the Administrative Agent or its designee, and (B) segregate all cash, checks and other instruments received by it from time to time constituting Collections of Receivables in a manner acceptable to the Administrative Agent and shall, promptly upon receipt, remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Administrative Agent or its designee.

(iv) The Transferor hereby authorizes the Administrative Agent to take any and all steps in the Transferor's name and on behalf of the Transferor necessary or desirable, in the determination of the Administrative Agent, to collect all amounts due under any and all Receivables, including, without limitation, endorsing the Transferor's name on checks and other instruments representing Collections and enforcing such Receivables and the related Contracts.

SECTION 6.04 Representations and Warranties of the Collection Agent The Collection Agent represents and warrants (solely as to itself) to the Administrative Agent, each CP Conduit Purchaser, each Committed Purchaser and each Funding Agent as of the date it becomes a Collection Agent hereunder that:

(a) Corporate Existence and Power. The Collection Agent is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation and has all corporate power and all material governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is now conducted, except where the failure to obtain such licenses, authorizations, consents and approvals would not have a Material Adverse Effect. The Collection Agent is duly qualified

to do business in, and is in good standing in, every other jurisdiction in which the nature of its business requires it to be so qualified, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

(b) Corporate and Governmental Authorization, Contravention. The execution, delivery and performance by the Collection Agent of this Agreement (i) are within the Collection Agent's corporate powers, (ii) have been duly authorized by all necessary corporate action on the Collection Agent's part, (iii) require no action by or in respect of, or filing with, any Official Body or official thereof (except for the filing of UCC financing statements as required by this Agreement or as have been taken or filed and, with respect to filings other than UCC financing statements, filings where the failure to file will not have a Material Adverse Effect), (iv) do not contravene, or constitute a default under, any provision of applicable Law or of the organizational documents of the Collection Agent or of any agreement or other material instrument binding upon the Collection Agent, except where such contravention or default would not have a Material Adverse Effect, or (v) result in the creation or imposition of any Adverse Claim on the assets of the Collection Agent or any of its Affiliates (except those created by the Transaction Documents).

(c) Binding Effect. This Agreement constitutes the legal, valid and binding obligations of the Collection Agent, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and general equitable principles (whether considered in a proceeding at law or in equity).

(d) Action, Suits. Except as set forth in Exhibit F hereto, there are no actions, suits or proceedings pending, or to the knowledge of the Collection Agent, threatened, against the Collection Agent, or any Affiliate of the Collection Agent, or its respective properties, in or before any court, arbitrator or other body, which could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

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SECTION 6.05 Affirmative Covenants of the Collection Agent. At all times from the date hereof to the date on which all Commitments have been terminated, the Net Investment has been reduced to zero, and all accrued Discount, Fees, Servicing Fees and all other Aggregate Unpays shall have been paid in full in cash:

(a) Credit and Collection Policy. The Collection Agent will comply in all material respects with the applicable Credit and Collection Policy in regard to each Receivable and the related Contract.

(b) Collections Received. The Collection Agent shall hold in trust, and deposit as soon as reasonably practicable (but in any event no later than one Business Day following its receipt thereof) to a Lockbox Account all Collections received from time to time by the Collection Agent.

(c) Notice of Termination Events, Potential Termination Events or Collection Agent Defaults. Immediately, and in any event within one (1) Business Day after the Collection Agent obtains knowledge of the occurrence of each Termination Event, Potential Termination Event or Collection Agent Default, the Collection Agent will furnish to the Administrative Agent and each Funding Agent a statement of a Responsible Officer of the Collection Agent setting forth details of such Termination Event, Potential Termination Event or Collection Agent Default, and the action which the Collection Agent, the Transferor or a Seller proposes to take with respect thereto.

(d) Conduct of Business. The Collection Agent will do all things necessary to remain duly incorporated, validly existing and in good standing as a domestic corporation in its jurisdiction of incorporation and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted to the extent that the failure to maintain such would have a Material Adverse Effect.

(e) Compliance with Laws. The Collection Agent will comply in all respects with all Laws with respect to the Receivables to the extent that any non-compliance would have a Material Adverse Effect.

(f) Further Information. The Collection Agent shall furnish or cause to be furnished to the Administrative Agent and each Funding Agent such other information relating to the Receivables and readily available public information regarding the financial condition of the Collection Agent, as soon as reasonably practicable, and in such form and detail, as the Administrative Agent or any Funding Agent may reasonably request.

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SECTION 6.06 Negative Covenants of the Collection Agent. At all times from the date hereof to the date on which all

Commitments have been terminated, the Net Investment has been reduced to zero, and all accrued Discount, Fees, Servicing Fees and all other Aggregate Unpaid shall have been paid in full in cash:

(a) No Sales, Liens, Etc. Except as otherwise provided herein, in the Receivables Purchase Agreement and in the Credit Agreements, the Collection Agent will not

(x) sell, assign (by operation of law or otherwise) or otherwise dispose of, or create any Adverse Claim upon (or file any financing statement) or with respect to (i) any of the Receivables, Related Security, Collections or Proceeds with respect thereto, (ii) any Lockbox Account (or any other account referred to in Section 5.01(i)) to which any Collections of any Receivable are sent, or assign any right to receive income in respect thereof; or

(y) grant any Adverse Claim or file any financing statement (other than those granted in the Transaction Documents) on or with respect to any inventory or goods, the sale of which may give rise to a Collection, or

(b) Consolidations, Mergers and Sales of Assets. The Collection Agent shall not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer all or substantially all of its assets to any other Person; provided that the Collection Agent may consolidate or merge with another Person if (A)(1) the Collection Agent is the corporation surviving such consolidation or merger or (2) the Person into or with whom the Collection Agent is merged or consolidated is an Affiliate and the surviving corporation assumes in writing all duties and liabilities of the Collection Agent hereunder and (B) immediately after and giving effect to such consolidation or merger, no Termination Event or Potential Termination Event shall have occurred and be continuing.

(c) Lockbox Accounts. Except as permitted pursuant to Section 2.09(b) of this Agreement or as otherwise permitted under or required by the Transaction Documents, the Collection Agent shall not make, or cause or permit any other Person to make any transfer of funds on deposit in a Lockbox Account.

(d) Modifications of Receivables or Contracts. The Collection Agent shall not extend, amend, forgive, discharge, compromise, waive, cancel or otherwise modify the terms of any Receivable or amend, modify or waive any term or condition of any Contract related thereto; provided, that the Collection Agent may take such actions as are expressly permitted by the terms of any Transaction Document and are in accordance with the Credit and Collection Policy.

SECTION 6.07 Collection Agent Default The occurrence of any one or more of the following events shall constitute a Collection Agent default (each, a " Collection Agent Default "):

(a) (i) the Collection Agent or, to the extent that the Transferor, Tyson, any Seller or any Affiliate of the Transferor or the Sellers is then the Collection Agent, the Transferor, Tyson, such Seller or such Affiliate, as applicable, shall fail to observe or perform any material term, covenant or agreement hereunder (other than as referred to in clauses (ii) and (iii) of this Section 6.07(a)), and such failure shall remain unremedied for ten (10) days, after a Responsible Officer of the Collection Agent has knowledge thereof or (ii) the Collection Agent or, to the extent that the Transferor, Tyson, any Seller or any Affiliate of the Transferor or the Sellers is then acting as Collection Agent, the Transferor, Tyson, such Seller or such Affiliate, as applicable, shall fail to make any payment or deposit required to be made by it hereunder when due and such failure remains uncured for one (1) Business Day or the Collection Agent shall fail to observe or perform in any material respect any term, covenant or agreement on the Collection Agent's part to be performed under Section 2.09(b) hereof, or (iii) the Collection Agent fails to deliver any Weekly Report within two (2) Business Days of the date when due or Settlement Statement within one (1) Business Day of the date when due; or

(b) any representation, warranty, certification or statement made by the Collection Agent in this Agreement, any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made; provided that no such event shall constitute a Collection Agent Default unless such event shall continue unremedied for a period of ten (10) days from the date a Responsible Officer of the Collection Agent obtains knowledge thereof; or

(c) the Collection Agent or any of its Subsidiaries shall fail to make any payment of principal or interest in respect of any Indebtedness owing to any Person that is not an Affiliate of such Collection Agent or Subsidiary evidencing an aggregate outstanding principal amount exceeding \$10,000,000, when and as the same shall become due and payable after giving effect to any applicable grace period with respect thereto; or any event or condition occurs that results in any such Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any such Indebtedness or any trustee or agent on its or their behalf to cause any such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (c) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness; or

(d) an involuntary proceeding described under clause (ii) of the definition of Event of Bankruptcy shall occur and be continuing for

sixty (60) days, or any other Event of Bankruptcy shall occur and be continuing, in each case with respect to the Collection Agent or any of its Subsidiaries; or

(e) there shall have occurred any event which, in the commercially reasonable judgment of the Administrative Agent and the Required Committed Purchasers materially and adversely affects the Collection Agent's ability to collect the Receivables under this Agreement.

SECTION 6.08 Responsibilities of the Transferor and the Sellers. Anything herein to the contrary notwithstanding, the Transferor shall, and/or shall cause each Seller to, (i) perform all of such Seller's obligations under the Contracts related to the Receivables to the same extent as if interests in such Receivables had not been sold hereunder and under the Receivables Purchase Agreement and the exercise by the Administrative Agent, the CP Conduit Purchasers and the Committed Purchasers of their rights hereunder and under the Receivables Purchase Agreement shall not relieve the Transferor or the Seller from such obligations and (ii) pay when due any taxes, including without limitation, any sales taxes payable in connection with the Receivables and their creation and satisfaction. Neither the Administrative Agent, any of the CP Conduit Purchasers, any of the Funding Agents, nor any of the Committed Purchasers shall have any obligation or liability with respect to any Receivable or related Contracts, nor shall it be obligated to perform any of the obligations of the Seller thereunder.

ARTICLE VII

Termination Events

SECTION 7.01 Termination Events.

(1) The occurrence of any one or more of the following events shall constitute a Termination Event:

(a) any representation, warranty, certification or statement made by Tyson, the Transferor, the Collection Agent, any Agent Seller or any Seller in this Agreement, any other Transaction Document to which it is a party or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made or deemed made; provided that no such event shall constitute a Termination Event unless such event shall continue unremedied for a period of ten (10) days from the date a Responsible Officer of the Transferor obtains knowledge thereof; provided further that no grace period shall apply to Sections 3.01(c), 3.01(d), 3.01(j), 3.01(q) and 3.01(r) of this Agreement (and, for the avoidance of doubt, the cure period described in the first proviso of this Section 7.01(1)(a) shall not apply to payments required to be made pursuant to Section 2.10(b)); and provided further that no such event shall constitute a Termination Event if the Transferor shall have timely paid to the Collection Agent the Deemed Collection required to be paid as a result of such event in accordance with Section 2.10 (b); or

(b) after the filing in the appropriate offices of the financing statements described in Sections 4.01(c), 4.01(d), 4.01(e) and 4.01(f), the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall, for any reason, fail or cease to have a valid and perfected first priority ownership or security interest in the Receivables and Related Security, Collections and Proceeds with respect thereto, free and clear of any Adverse Claims; or

(c) a Collection Agent Default shall have occurred; or

(d) the Transferor, Tyson or any Seller shall enter into any corporate transaction or merger whereby it is not the surviving entity (other than, in the case of any Seller, a merger or consolidation which does not, in the opinion of the Required Committed Purchasers, materially adversely affect the collectibility of the Receivables sold by such Seller or the performance of such Seller's obligations under the transaction documents); or

(e) there shall have occurred since the Closing Date any event or condition which could reasonably be expected to have a Material Adverse Effect; or

(f) (i) the Percentage Factor exceeds the Maximum Percentage Factor unless the Transferor reduces the Net Investment

from previously received Collections or other funds available to the Transferor or increases the balance of the Receivables on the next Business Day following such breach so as to reduce the Percentage Factor to less than or equal to the Maximum Percentage Factor; or (ii) the Net Investment shall exceed the Program Limit; or

(g) the average Dilution Ratio for the three preceding Settlement Periods exceeds 1.55%; or

(h) the average Default Ratio for the three preceding Settlement Periods exceeds 1.85%; or

(i) the average Delinquency Ratio for the three preceding Settlement Periods exceeds 6.75%; or

(j) either (i) a Credit Agreement Event of Default shall have occurred and be continuing or (ii) the failure of Tyson or any other Seller to pay indebtedness in excess of \$10,000,000 when due (after giving effect to any applicable cure period) or any such indebtedness shall become accelerated by the holders thereof; or

(k) the Receivables Purchase Agreement is terminated; or

(l) a trust has been properly preserved pursuant to PASA; or

(m) Tyson or any of its affiliates is rated BB- or Ba3 or lower or Tyson is not rated by either S&P or Moody's, respectively; or

(n) Tyson and the Sellers (in the aggregate) shall fail to maintain 100% ownership of the Transferor; or

(o) a Default.

(2) The occurrence of any one or more of the following events shall constitute a Default:

(a) Tyson, the Transferor, any Seller, any Agent Seller or the Collection Agent shall fail to make any payment or deposit to be made by it hereunder or under any of the Transaction Documents when due hereunder or thereunder and such failure continues for one (1) Business Day; or

(b) Tyson, the Transferor, any Seller, any Agent Seller or the Collection Agent shall default in the performance of any undertaking (other than those covered by clause (a) above) under any Transaction Document and such default shall continue for ten (10) days after a Responsible Officer of the Transferor, the Collection Agent or Tyson has knowledge thereof; or

(c) the Transferor shall fail to make any payment of principal or interest in respect of any Indebtedness (other than Indebtedness under the Transaction Documents) when and as the same shall become due and payable after giving effect to any applicable grace period with respect thereto; or any event or condition occurs that results in any such Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any such Indebtedness or any trustee or agent on its or their behalf to cause any such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; or

(d) any Event of Bankruptcy shall occur with respect to (i) any Seller that is a Foodbrands Entity that has less than \$5,000,000 in Receivables as of the date of such Event of Bankruptcy or any Subsidiary of Tyson that is not a Seller, or (ii) the Transferor, Tyson, the Collection Agent, or any Seller other than a Seller referred to in clause (i); or

(e) a Responsible Officer of the Transferor receives notice or becomes aware that a notice of lien has been filed against the Transferor or Tyson under Section 412(n) of the Code or Section 302(f) of ERISA for a failure to make a required installment or other payment to a plan to which Section 412(n) of the Code or Section 302(f) of ERISA applies.

SECTION 7.01 Remedies Upon the Occurrence of a Termination Event.

- A. Upon the occurrence of any Termination Event, the Administrative Agent may, and at the direction of the Required Committed Purchasers shall, by notice to the Transferor and the Collection Agent, declare the Termination Date to have occurred; provided, however, that in the case of any event described in Sections 7.01(1)(b) or 7.01(1)(f)(i), or Sections 7.01(2)(d)(ii) or 7.01(2)(e), the Termination Date shall be deemed to have occurred automatically upon the occurrence of

such event. At all times after the declaration or automatic occurrence of the Termination Date pursuant to this Section 7.02(a), the Base Rate plus 2.00% shall be the Tranche Rate applicable to the Net Investment for all existing and future Tranches. If an event or condition shall have occurred which constitutes a Potential Termination Event of which the Administrative Agent is aware, the Administrative Agent may advise the Transferor of the occurrence of such Potential Termination Event.

- B. In addition, if any Termination Event occurs hereunder, (i) the Administrative Agent shall promptly notify the Transferor in writing whether it has declared the Termination Date to have occurred and whether it will be exercising the remedies specified in this Section 7.02. From and after the Termination Date, (i) the Program Limit shall be reduced as of each calendar date thereafter equal to the Net Investment as of such date; (ii) the Percentage Factor shall be increased to 100%; (iii) the Aggregate Unpays shall be due and payable from collections as and when specified in Section 2.06(c), and (iv) the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall have all of the rights and remedies provided to a secured creditor or a purchaser of accounts under the Relevant UCC by applicable law in respect thereto.

SECTION 7.01 Reconveyance Under Certain Circumstances The Transferor agrees to accept the reconveyance from the Administrative Agent, on behalf of the CP Conduit Purchasers and/or the Committed Purchasers, of the Transferred Interest if any Termination Event occurs hereunder and the Administrative Agent notifies the Transferor of a material breach of any representation or warranty made or deemed made pursuant to Sections 3.01(a), 3.01(b), 3.01(c), 3.01(d), 3.01(g) and 3.01(j) of this Agreement. The reconveyance price shall be paid by the Transferor to the Administrative Agent, for the account of the CP Conduit Purchasers and the Committed Purchasers, as applicable, in immediately available funds on demand in an amount equal to the Aggregate Unpays.

ARTICLE VIII

The Administrative Agent

SECTION 8.01 Appointment Each of the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents hereby irrevocably designates and appoints the Administrative Agent as the agent of such Person under this Agreement and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, (i) the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any CP Conduit Purchaser, any Committed Purchaser or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent; and (ii) in no event shall the Administrative Agent be liable under or in connection with this Agreement for indirect, special, or consequential losses or damages of any kind, including lost profits, even if advised of the possibility thereof and regardless of the form of action by which such losses or damages may be claimed. In performing its functions and duties hereunder, the Administrative Agent shall act solely as the agent of the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents, and the Administrative Agent does not assume, nor shall be deemed to have assumed, any trust or fiduciary obligation or relationship with or for any such Person. Without limiting the foregoing, in accordance with customary practices in syndicated conduit financings, the Administrative Agent will promptly forward to each Funding Agent any written information delivered by or on behalf of the Transferor or Tyson to the Administrative Agent.

SECTION 8.02 Delegation of Duties The Administrative Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel (who may be counsel for the Transferor or the Collection Agent), independent public accountants and other experts selected by it concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

SECTION 8.03 Exculpatory Provisions Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement (x) with the consent or at the request of the CP Conduit Purchasers, the Committed Purchasers or the Funding Agents or (y) in the absence of its own gross negligence or willful misconduct or (ii) responsible in any manner to any of the CP Conduit Purchasers, the Committed Purchasers or the Funding Agents for any recitals, statements, representations or warranties made by the Transferor, the Collection Agent, the Sellers, any Agent Seller or any officer thereof contained in this Agreement or any other Transaction Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this

Agreement, any other Transaction Document, the Receivables (or any Related Security, Collections and Proceeds with respect thereto) or any Transferred Interest or for any failure of any of the Transferor, the Collection Agent, the Sellers or any Agent Seller or the Obligor to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any CP Conduit Purchaser, any Committed Purchaser or any Funding Agent to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document or to inspect the properties, books or records of the Transferor, the Collection Agent, any Seller or any Agent Seller.

SECTION 8.04 Reliance by Administrative Agent The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, fax, e-mail, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Transferor or to the Collection Agent), independent accountants and other experts selected by the Administrative Agent and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Funding Agents, on behalf of the CP Conduit Purchasers, as it deems appropriate or it shall first be indemnified to its satisfaction by the Funding Agents against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Transaction Documents in accordance with a request of the Funding Agents, on behalf of the CP Conduit Purchasers (unless, in the case of any action relating to the giving of consent hereunder, the giving of such consent requires the consent of all the CP Conduit Purchasers), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents

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SECTION 8.05 Notice of Collection Agent Default The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Collection Agent Default or any Termination Event unless the Administrative Agent has received notice from a CP Conduit Purchaser, a Committed Purchaser, a Funding Agent, the Transferor or the Collection Agent referring to this Agreement, describing such Collection Agent Default or Termination Event and stating that such notice is a "notice of a Collection Agent Default" or "notice of a Termination Event", as the case may be. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Funding Agents, the Transferor and the Collection Agent. The Administrative Agent shall take such action with respect to such event as shall be reasonably directed by the Required Committed Purchasers, provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such event as it shall deem advisable in the best interests of the CP Conduit Purchasers and the Committed Purchasers.

SECTION 8.06 Non-Reliance on the Administrative Agent and Other Purchasers Each of the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Transferor, shall be deemed to constitute any representation or warranty by the Administrative Agent to any such Person. Each of the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other CP Conduit Purchaser, Committed Purchaser or Funding Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Transferor, the Collection Agent and the Sellers and made its own decision to enter into this Agreement. Each of the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents also represents that it will, independently and without reliance upon the Administrative Agent or any other CP Conduit Purchaser, Committed Purchaser or Funding Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Transferor, the Collection Agent and the Sellers. Except for notices, reports and other documents expressly required to be furnished to the Funding Agents by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any CP Conduit Purchaser, any Committed Purchaser or any Funding Agent with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Transferor, the Collection Agent or the Sellers which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

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SECTION 8.07 Indemnification Each of the Committed Purchasers, severally and not jointly, agrees to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Transferor, the Collection Agent and the Sellers and without

limiting the obligation of the Transferor, the Collection Agent and the Sellers to do so) ratably in accordance with their respective Commitment Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, any of the other Transaction Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Committed Purchaser shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of all amounts payable hereunder. Notwithstanding the foregoing, the obligation of Nieuw Amsterdam, as Committed Purchaser, under this Section 8.07 shall be the sole responsibility of Nieuw Amsterdam's Funding Agent and Nieuw Amsterdam will have no liability with respect hereto.

SECTION 8.08 The Administrative Agent in Its Individual Capacity The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Transferor, the Collection Agent or any of their Affiliates as though the Administrative Agent were not the Administrative Agent hereunder. With respect to any Transferred Interest held by the Administrative Agent, the Administrative Agent shall have the same rights and powers under this Agreement and the other Transaction Documents as any Purchaser and may exercise the same as though it were not the Administrative Agent, and the terms "Committed Purchaser," and "Purchaser" shall include the Administrative Agent in its individual capacity.

SECTION 8.09 Resignation of Administrative Agent; Successor Administrative Agent The Administrative Agent may resign as Administrative Agent at any time by giving 30 days' notice to the Funding Agents, the Transferor and the Collection Agent. The Administrative Agent may be removed at any time by a resolution of the Required Committed Purchasers, removing the Administrative Agent and appointing from among the Funding Agents a successor administrative agent, which successor administrative agent shall be approved by the Transferor and the Collection Agent (which approval shall not be unreasonably withheld), delivered to the Administrative Agent and the Collection Agent. If JPMCB shall resign as Administrative Agent under this Agreement, then the Required Committed Purchasers, shall promptly appoint a successor administrative agent from among the Funding Agents, which successor administrative agent shall be approved by the Transferor and the Collection Agent (which approval shall not be unreasonably withheld). If no successor administrative agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Funding Agents, the Transferor and the Collection Agent, a successor agent from among the Funding Agents. If no successor administrative agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Collection Agent shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Committed Purchasers appoint a successor agent as provided for above. Effective upon the appointment of a successor administrative agent, such successor administrative agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor administrative agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

SECTION 8.10 Consent to Agreed-Upon Procedures Each CP Conduit Purchaser, Committed Purchaser and Funding Agent, by becoming a party to this Agreement, authorizes the Administrative Agent (a) to execute on its behalf a letter agreement, substantially in the form of Exhibit M hereto, with respect to the limited engagement of, and consenting to the agreed-upon procedures to be performed by, the certified public accountants of Tyson and its Subsidiaries on behalf of the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents in connection with the transactions contemplated by the Transaction Documents so long as such procedures are consistent with Sections 6.02(c) and 6.02(d); and (b) to approve additional agreed-upon procedures.

SECTION 8.11 Authorization and Action of Funding Agents Each CP Conduit Purchaser and Committed Purchaser in a Related Group hereby appoints and authorizes the Funding Agent for such Related Group to take such action as agent on its behalf and to exercise such power under this Agreement and the other Transaction Documents as are delegated to such Funding Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. The CP Conduit Purchaser and Committed Purchasers in a Related Group may at any time appoint a new Funding Agent in accordance with the terms of the applicable Asset Purchase Agreement with the prior written consent of the Administrative Agent in its sole discretion, such appointment to become effective on the date specified by such CP Conduit Purchaser in a written notice delivered to the Administrative Agent. Upon the acceptance of any appointment as Funding Agent hereunder by a successor Funding Agent, such successor Funding Agent shall thereupon succeed to and become vested with all of the rights, powers and privileges, and subject to the duties, obligations and liabilities of, the departing Funding Agent, and the departing Funding Agent shall relinquish its rights, powers and privileges, and be discharged from its duties, obligations and liabilities, under this Agreement.

ARTICLE IX

Limited Guaranty

SECTION 9.01 Limited Guaranty of Obligations The Guarantor unconditionally guarantees the full and prompt payment when due of all of the payment obligations and the timely performance of all of the performance obligations of the Sellers and Agent Sellers of every kind and nature now or hereafter existing, or due or to become due, under the Transaction Documents (collectively, the "Obligations"); provided that, such Obligations shall not include amounts not collected in respect of any Receivable as a result of the lack of creditworthiness of an Obligor, including, but not limited to, amounts required to be returned to an Obligor as a voidable preference. The Guarantor shall pay all reasonable costs and expenses including, without limitation, all court costs and reasonable attorney's fees and expenses paid or incurred by the Administrative Agent and the other Beneficiaries in connection with (a) the collection of all or any part of the Obligations from the Guarantor and (b) the prosecution or defense of any action by or against the Administrative Agent, the other Beneficiaries or the Transferor in connection with, or relating to, the Obligations, whether involving the Sellers, the Collection Agent, the Guarantor, the Transferor or any other party (including, but not limited to, a trustee in a bankruptcy or a debtor-in-possession).

SECTION 9.02 Validity of Obligations; Irrevocability The Guarantor agrees that subject to the proviso set forth in Section 9.01 above its obligations under this Limited Guaranty shall be unconditional, irrespective of (i) the validity, enforceability, discharge, disaffirmance, settlement or compromise (by any Person, including a trustee in a bankruptcy or a debtor-in-possession) of the Obligations or of the Transaction Documents or any Contract, (ii) the absence of any attempt to collect the Obligations from a Seller, a Agent Seller or the Collection Agent or any other party, (iii) the waiver or consent by any Person with respect to any provision of any instrument evidencing the Obligations, (iv) any change of the time, manner or place of payment or performance, or any other term of any of the Obligations, (v) any law, regulation or order of any jurisdiction affecting any term of any of the Obligations or rights of any Person with respect thereto, (vi) the failure by any Person to take any steps to perfect and maintain perfected its interest in the Receivables or any security or collateral related to the Obligations or (vii) any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety. The Guarantor agrees that the Administrative Agent and the Beneficiaries shall be under no obligation to marshal any assets in favor of or against or in payment of any or all of the Obligations. The Guarantor further agrees that, to the extent a payment is made by a Seller, any Agent Seller or the Collection Agent under the Transaction Documents, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to such Seller, such Agent Seller or the Collection Agent, its estate, trustee, receiver or any other party, under any bankruptcy, insolvency or similar state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the Obligation or part thereof which has been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the date such initial payment, reduction or satisfaction occurred. The Guarantor waives all set-offs, defenses and counterclaims and all presentments, demands for performance, notices of dishonor and notice of acceptance of this Limited Guaranty. The Guarantor agrees that its obligations under this Limited Guaranty shall be irrevocable.

SECTION 9.03 Several Obligations The obligations of the Guarantor hereunder are separate and apart from the Sellers or any other Person, and are primary obligations concerning which the Guarantor is the principal obligor. The Guarantor agrees that this Limited Guaranty shall not be discharged except by payment in full of the Obligations and complete performance of the obligations of the Guarantor hereunder. The obligations of the Guarantor hereunder shall not be affected in any way by the release or discharge of a Seller from the performance of any of the Obligations (other than the full and final payment of all of the Obligations), whether occurring by reason of law or any other cause, whether similar or dissimilar to the foregoing.

SECTION 9.04 Subrogation Rights If any amount shall be paid to the Guarantor on account of subrogation rights relating to the Obligations at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Administrative Agent, on behalf of the Beneficiaries, and shall forthwith be paid to the Administrative Agent to be applied to the Obligations. If (a) the Guarantor shall make payment to the Administrative Agent of or perform all or any part of the Obligations and (b) all the Obligations shall be paid and performed in full, the Administrative Agent will, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Obligations resulting from such payment or performance by the Guarantor. The Guarantor hereby agrees that it shall have no rights of subrogation with respect to amounts due to the Administrative Agent or the Beneficiaries until such time as all obligations of the Sellers to the Transferor, the Administrative Agent and the Beneficiaries have been paid or performed in full and this Agreement has been terminated.

SECTION 9.05 Rights of Set-Off The Guarantor hereby authorizes the Administrative Agent, on behalf of the Beneficiaries, at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (whether general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Administrative Agent or the Beneficiaries to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing under this Limited Guaranty. The Guarantor hereby acknowledges that rights of the Administrative Agent, on behalf of the Beneficiaries, described in this Section

9.05 are in addition to all other rights and remedies (including, without limitation, other rights of set-off) the Administrative Agent and the Beneficiaries may have.

SECTION 9.06 Representations and Warranties The Guarantor hereby represents and warrants to the Administrative Agent, for the benefit of the Beneficiaries, as of the date hereof, as follows:

(a) Corporate Existence and Power. The Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all corporate power and all material governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is now conducted. The Guarantor is duly qualified to do business in, and is in good standing in, every other jurisdiction in which the nature of its business requires it to be so qualified, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

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(b) Corporate and Governmental Authorization; Contravention. The execution, delivery and performance by the Guarantor of this Limited Guaranty and the other Transaction Documents to which the Guarantor is a party are within the Guarantor's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Official Body or official thereof, and do not contravene, or constitute a default under, any provision of applicable law, rule or regulation or of the Certificate of Incorporation or By-laws of the Guarantor or of any material agreement, judgment, injunction, order, writ, decree or other instrument binding upon the Guarantor or result in the creation or imposition of any Adverse Claim on the assets of the Guarantor or any of its Subsidiaries (except as contemplated by Section 2.09).

(c) Binding Effect. Each of this Limited Guaranty and the other Transaction Documents to which the Guarantor is a party constitutes the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors and general equitable principles (whether considered in a proceeding at law or in equity).

(d) Accuracy of Information. All written information heretofore furnished by the Guarantor to the Administrative Agent or the Beneficiaries for purposes of or in connection with this Limited Guaranty, the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such written information hereafter furnished by the Guarantor to the Administrative Agent or the Beneficiaries will be, true and accurate in every material respect on the date such information is stated or certified.

(e) Tax Status. The Guarantor has filed all tax returns (Federal, state and local) required to be filed and has paid prior to delinquency or made adequate provision for the payment of all taxes, assessments and other governmental charges (including for such purposes, the setting aside of appropriate reserves for taxes, assessments and other governmental charges being contested in good faith).

(f) Action, Suits. Except as set forth in Exhibit F hereto, there are no actions, suits or proceedings pending, or to the knowledge of the Guarantor threatened, against or affecting the Guarantor or any Affiliate of the Guarantor or their respective properties, in or before any court, arbitrator or other body, which may, individually or in the aggregate, have a Material Adverse Effect.

(g) Not an Investment Company. The Guarantor is not, nor is it controlled by, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or is exempt from all provisions of such Act.

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ARTICLE X

Miscellaneous

SECTION 10.01 Term of Agreement This Agreement shall terminate on the date following the Termination Date upon which the Net Investment has been reduced to zero, and all accrued Discount, Fees, Servicing Fees and all other Aggregate Unpays have been paid in full, in each case, in cash; provided, however, that (i) the rights and remedies of the Administrative Agent, the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents with respect to any representation and warranty made or deemed to be made by the Transferor or the Seller pursuant to this Agreement, (ii) the indemnification and payment provisions of the Asset Purchase Agreements, and (iii) the agreements set forth in Sections 10.08 and 10.09 hereof, shall be continuing and shall survive any termination of this Agreement.

SECTION 10.02 Waivers; Amendments (a) No failure or delay on the part of the Administrative Agent, any CP Conduit Purchaser, any Funding Agent or any Committed Purchaser in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the parties hereto and the Required Committed Purchasers and, if such amendment or waiver is material, only if the Rating Agencies, to the extent required by the terms and conditions of the commercial paper program of any CP Conduit Purchaser, have provided Rating Confirmations; provided, however, that no such amendment or waiver shall, without the consent of each affected Committed Purchaser, (A) extend either Commitment Expiry Date, the Termination Date or the date of any payment or deposit of Collections by the Transferor or the Collection Agent, (B) reduce the rate or extend the time of payment of any Discount, interest or fees hereunder or under any Fee Letter, (C) change the amount of a Committed Purchaser's Commitment Pro Rata Share, applicable Facility Pro Rata Share or Commitment, (D) consent to or permit the assignment or transfer by the Transferor of any of its rights or obligations under this Agreement, (E) amend or modify the definitions of "Percentage Factor" or "Required Committed Purchasers" or any other defined term used in such definitions, to the extent used in such definitions, (F) amend or modify this Section 10.02, (G) change the Net Investment held by any CP Conduit Purchaser or Committed Purchaser or create, with respect to any Committed Purchaser, any obligation for such Committed Purchaser to make any purchase allocable to another Related Group, (H) amend or waive any Termination Event described in Section 7.01(1)(l) or 7.01(1)(m), (I) release or terminate any interest created hereunder in any Receivables or Related Security with respect thereto, or (J) amend or waive any provision of Section 2.12(a).

(b) For so long as (a) JPMCB or an affiliate is a Funding Agent or a Committed Purchaser and (b) JPMCB or an affiliate is one of the agents in the Credit Agreements, then, in such event, any amendments or waivers granted by the lenders thereunder (the "Lenders") shall be binding upon the parties hereunder for the purpose of determining whether a Termination Event or Potential Termination Event based on any Credit Agreement Event of Default has occurred; provided that (i) if any fees or other consideration are paid to the Lenders in consideration for such amendment or waiver, a similar fee or other consideration shall be concurrently paid to each of the Funding Agents on behalf of the Purchasers and the Committed Purchasers and (ii) if the ongoing fees or interest rate margins payable to the Lenders are increased in any such amendment, the comparable fees or interest rate margins payable to the Committed Purchasers will be similarly increased.

SECTION 10.03 Notices Except as provided below, all communications and notices provided for hereunder shall be in writing (including teletype or electronic facsimile transmission or similar writing) and shall be given to the other party at its address or teletype number set forth below or at such other address or teletype number as such party may hereafter specify for the purposes of notice to such party. Each such notice or other communication shall be effective (i) if given by teletype, when such teletype is transmitted to the teletype number specified in this Section 10.03 and confirmation is received, (ii) if given by mail three (3) Business Days following such posting, postage prepaid, U.S. certified or registered, (iii) if given by overnight courier, one (1) Business Day after deposit thereof with a national overnight courier service, or (iv) if given by any other means, when received at the address specified in this Section 10.03. However, anything in this Section 10.03 to the contrary notwithstanding, the Transferor hereby authorizes the Administrative Agent and each Funding Agent to effect Transfers, Tranche Period and Tranche Rate selections based on telephonic notices made by any Person which the Administrative Agent or such Funding Agent in good faith believes to be acting on behalf of the Transferor. The Transferor agrees to deliver promptly to the Administrative Agent and each Funding Agent a written confirmation of each telephonic notice signed by an authorized officer of Transferor. However, the absence of such confirmation shall not affect the validity of such notice. If the written confirmation differs in any material respect from the action taken by the Administrative Agent or such Funding Agent, the records of the Administrative Agent or such Funding Agent shall govern absent manifest error.

If to a Committed Purchaser, to its address set forth on Schedule B (with a copy to the Administrative Agent and the related Funding Agent).

If to a CP Conduit Purchaser, to its address set forth on Schedule B (with a copy to the Administrative Agent and the related Funding Agent).

If to a Funding Agent, to its address set forth on Schedule B (with a copy to the Administrative Agent).

If to the Transferor:

Tyson Receivables Corporation
c/o Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: Treasurer
Telephone: 501-290-4194
Teletype: 501-290-4061

with a copy to:

Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telephone: 501-290-7023
Telecopy: 501-290-7967

If to the Sellers, as provided in Section 9.03 of the Receivables Purchase Agreement.

If to the Administrative Agent:
JPMorgan Chase Bank
450 W. 33rd St., 15th Floor
New York, NY 10001
Attention: Conduit Administration
Telephone: (212) 946-7262
Telecopy: (212) 946-8098
E-mail: CPADMIN@Chase.co

SECTION 10.04 Governing Law; Submission to Jurisdiction; Integration.

- A. This Agreement shall be governed by, and construed in accordance with the laws of the State of New York. Each of the parties hereto hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in The City of New York for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Nothing in this Section 10.04 shall affect the right of any party hereto to bring any action or proceeding against any party hereto or its respective properties in the courts of other jurisdictions.
- B. Each of the parties hereto hereby waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise among any of them arising out of, connected with, relating to or incidental to the relationship between them in connection with this Agreement or the other Transaction Documents.
- C. This Agreement contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire Agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

SECTION 10.05 Severability; Counterparts This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10.06 Successors and Assigns (a) This Agreement shall be binding on the parties hereto and their respective successors and assigns; provided, however, that neither the Transferor nor any Seller may assign any of its rights or delegate any of its duties hereunder or under any of the other Transaction Documents to which it is a party without the prior written consent of the Administrative Agent and the Required Committed Purchasers. No provision of this Agreement shall in any manner restrict the ability of any CP Conduit Purchaser or any Committed Purchaser to assign, participate, grant security interests in, or otherwise transfer any portion of the Transferred Interest as provided in this Section 10.06. Each CP Conduit Purchaser may assign, participate, grant security interests in or otherwise transfer all or any portion of the Transferred Interest to any Program Support Provider with respect to such CP Conduit Purchaser without prior notice to or consent from any other party or any other condition or restriction of any kind.

(b) Conduit Assignees. Each CP Conduit Purchaser may, from time to time with prior or concurrent notice to the Transferor, the Funding Agent for such CP Conduit Purchaser and the Administrative Agent, assign all or any portion of the CP Conduit Purchaser's Interest with respect to such CP Conduit Purchaser (and its related Committed Purchasers) and its rights and obligations under this Agreement and any other Transaction Documents to which it is a party to a Conduit Assignee with respect to such CP Conduit Purchaser. Upon such assignment by a CP Conduit Purchaser to a Conduit Assignee, (A) the Funding Agent for such CP Conduit Purchaser will act as the Funding Agent for such Conduit Assignee hereunder, (B) such Conduit Assignee and its liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to such CP Conduit Purchaser and its related Committed Purchasers herein and in the other Transaction Documents (including, without limitation, any limitation on recourse against such Conduit Assignee), (C) such Conduit Assignee shall assume all of such CP Conduit Purchaser's obligations hereunder or under any other Transaction Document (whenever created, whether before or after such assignment) with respect to the assigned portion of the CP Conduit Purchaser's Interest and such CP Conduit Purchaser shall be released from all such obligations, (D) all distributions to such CP Conduit Purchaser hereunder with respect to the assigned portion of the CP Conduit Purchaser's Interest shall be made to such Conduit Assignee, (E) the definition of the term "CP Rate" shall be determined on the basis of the interest rate or discount applicable to commercial paper issued by such Conduit Assignee (rather than such CP Conduit Purchaser), (F) the defined terms and other terms and provisions of this Agreement and the other Transaction Documents shall be interpreted in accordance with the foregoing, and (G) if requested by the Administrative Agent or Funding Agent with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents (including amendments to this Agreement) and take such other actions as the Administrative Agent or such Funding Agent may reasonably request to evidence and give effect to the foregoing.

(c) Participations. Any Committed Purchaser may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more Persons (each, a "Participant") participating interest in its rights and obligations hereunder and under the Transaction Documents; provided, however, that each Participant shall purchase an identical percentage in such selling Committed Purchaser's Commitment, and Commitment Pro Rata Share of the Committed Purchaser Funded Amount. Notwithstanding any such sale by a Committed Purchaser of a participating interest to a Participant, such Committed Purchaser's rights and obligations under this Agreement shall remain unchanged, such Committed Purchaser shall remain solely responsible for the performance hereof, and each CP Conduit Purchaser, each Funding Agent and the Administrative Agent shall continue to deal solely and directly with such Committed Purchaser in connection with such Committed Purchaser's rights and obligations under this Agreement and the other Transaction Documents. Each Committed Purchaser agrees that any agreement between such Committed Purchaser and any such Participant in respect of such participating interest shall not restrict such Committed Purchaser's right to agree to any amendment, supplement, waiver or modification to this Agreement.

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(d) Assignments.

(i) Any Committed Purchaser may at any time and from time to time, upon the prior written consent of the related CP Conduit Purchaser and the Administrative Agent, and, if the Purchaser is not an Affiliate of the selling Committed Purchaser, the prior written consent of the Transferor (which consent shall not be unreasonably withheld), assign to one or more accredited investors or other Persons ("Purchaser(s)"), and Nieuw Amsterdam, in its capacity as Committed Purchaser, may at any time and from time to time, with prior written notice to the Administrative Agent, assign to Rabobank, as Purchaser, all or any part of its rights and obligations under this Agreement and the other Transaction Documents pursuant to a supplement to this Agreement, substantially in the form of Exhibit J hereto (each, a "Transfer Supplement"), executed by the Purchaser, such selling Committed Purchaser, the related CP Conduit Purchaser, the related Funding Agent and, if applicable, the Administrative Agent and/or the Transferor; and provided, however, that (A) each Purchaser shall purchase an identical percentage in such selling Committed Purchaser's Commitment and Commitment Pro Rata Share of the Committed Purchaser Funded Amount, (B) any such assignment cannot be for an amount less than the lesser of (1) \$5,000,000 and (2) such selling Committed Purchaser's Commitment or Commitment Pro Rata Share of the Committed Purchaser Funded Amount (calculated at the time of such assignment) and (C) each Purchaser must be (1) a financial institution incorporated in an OECD country and rated at least A-1/P-1 (or the equivalent short-term ratio) by the Rating Agencies and (2) a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended).

(ii) Each of the Committed Purchasers agrees that in the event that it shall cease to have short-term debt ratings at least equal to other ratings then assigned to the Commercial Paper by the Rating Agencies, or, if such Committed Purchaser does not have short-term debt which is rated by the Rating Agencies, in the event that the parent corporation of such Committed Purchaser has rated short-term debt, such parent corporation ceases to have short-term debt ratings at least equal to the ratings then assigned to the Commercial Paper by the Rating Agencies (each, an "Affected Committed Purchaser"), such Affected Committed Purchaser shall be obliged, at the request of the related CP Conduit Purchaser and the Administrative Agent, to assign all of its rights and obligations hereunder to (x) one or more other Committed Purchasers selected by such CP Conduit Purchaser and the Administrative Agent which are willing to accept such assignment, or (y) another financial institution having short-term debt ratings at least equal to the ratings then assigned to the Commercial Paper by the Rating Agencies nominated by the Administrative Agent and consented to by such CP Conduit Purchaser (which consent shall not be unreasonably withheld) and the Administrative Agent, provided that (i) the Affected Committed Purchaser receives payment in full of an amount equal to its Committed Purchaser Funded Amount, any accrued and unpaid interest and any other amounts due and owing to such Affected Committed Purchaser under this Agreement and the other Transaction Documents and (ii) such nominated financial

(iii) Upon (A) execution of a Transfer Supplement, (B) delivery of an executed copy thereof to the related CP Conduit Purchaser and the Administrative Agent, (C) payment, if applicable, by the Purchaser to such selling Committed Purchaser of an amount equal to the purchase price agreed between such selling Committed Purchaser and the Purchaser and (D) receipt by such CP Conduit Purchaser of a Rating Confirmation, if required, such selling Committed Purchaser shall be released from its obligations hereunder to the extent of such assignment and the Purchasers shall, for all purposes, be a Committed Purchaser party to this Agreement and shall have all the rights and obligations of a Committed Purchaser under this Agreement to the same extent as if it were an original party hereto, and no further consent or action by the CP Conduit Purchasers, the Committed Purchasers or the Administrative Agent shall be required. The amount of the assigned portion of the selling Committed Purchaser's Commitment Pro Rata Share of the Committed Purchaser Funded Amount allocable to the Purchaser shall be equal to the Transferred Percentage (as defined in the Transfer Supplement) of such selling Committed Purchaser's Commitment Pro Rata Share of the Committed Purchaser Funded Amount which is transferred thereunder regardless of the purchase price paid therefor. Such Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of the Purchaser as a Committed Purchaser and the resulting adjustment of the selling Committed Purchaser's Commitment arising from the purchase by the Purchaser of all or a portion of the selling Committed Purchaser's rights, obligations and interest hereunder.

SECTION 10.07 Confidentiality (a) Each of the Transferor, the Collection Agent, each Seller, each Agent Seller and the Guarantor shall maintain, and shall cause each officer, employee and agent of itself and its Affiliates to maintain, the confidentiality of the Transaction Documents and all other confidential proprietary information with respect to the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent and each of their respective businesses obtained by them in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other Transaction Documents, except for information that has become publicly available or information disclosed (i) to legal counsel, accountants and other professional advisors to the Transferor, the Collection Agent, the Guarantor and their respective Affiliates, (ii) as required by law, regulation or legal process (including in connection with any registration Statement or other filing made with the SEC) or (iii) in connection with any legal or regulatory proceeding to which the Transferor, the Collection Agent, the Guarantor or any of their respective Affiliates is subject. Each of the Transferor, the Collection Agent and the Guarantor hereby consents to the disclosure of any nonpublic information with respect to it received by any CP Conduit Purchaser, any Committed Purchaser, any Funding Agent or the Administrative Agent to (i) any of the CP Conduit Purchasers, Committed Purchasers, Funding Agents or the Administrative Agent, (ii) any nationally recognized rating agency providing a rating or proposing to provide a rating to the CP Conduit Purchasers' Commercial Paper, (iii) any placement agent which proposes to offer and sell the CP Conduit Purchasers' Commercial Paper (but only information contained in the applicable CP Conduit's standard monthly investors report which does not disclose the names of any Seller, the Transferor, the Collection Agent or any Agent Seller; (iv) any provider of the CP Conduit Purchasers' program-wide liquidity or credit support facilities, (v) any potential Committed Purchaser or (vi) any Participant or potential Participant; provided, however, that no disclosure shall be made pursuant to clause (i), (iv), (v) or (vi) unless the potential recipient of such information shall have entered into a confidentiality undertaking satisfactory to the Transferor and the related Funding Agent.

(b) Each of the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent shall maintain, and shall cause each officer, employee and agent of itself and its Affiliates to maintain, the confidentiality of the Transaction Documents and all other confidential proprietary information with respect to the Transferor, the Sellers, the Guarantor and their Affiliates and each of their respective businesses obtained by them in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other Transaction Documents, except for information that has become publicly available except that such information may be disclosed (i) to legal counsel, accountants and other professional advisors to the CP Conduit Purchasers, the Committed Purchasers, the Funding Agent, the Administrative Agent and their respective Affiliates who need to know such information and are informed as to the confidential nature of such information, (ii) as required by law, regulation or legal process or (iii) pursuant to the order of any court or administrative agency or in any pending legal or administrative proceeding, (iv) to any other Person specified in the last sentence of Section 10.07(a), or (v) upon the request or demand of any regulatory authority having jurisdiction over the Administrative Agent, any CP Conduit Purchaser, any Committed Purchaser or any Funding Agent,

SECTION 10.08 No Bankruptcy Petition Against the CP Conduit Purchasers Each of the Transferor, the Collection Agent, each Seller and the Guarantor hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper or other indebtedness of the CP Conduit Purchasers, it will not institute against, or join any other Person in instituting against, the CP Conduit Purchasers any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar

proceeding under the laws of the United States or any state of the United States. For purposes of this Section 10.08, each reference herein to a "CP Conduit Purchaser" shall include Nieuw Amsterdam both in its capacity as a "Committed Purchaser and in its capacity as a "CP Conduit Purchaser."

SECTION 10.09 Limited Recourse Notwithstanding anything to the contrary contained herein, the obligations of the CP Conduit Purchasers under this Agreement are solely the corporate obligations of the CP Conduit Purchasers and, in the case of obligations of the CP Conduit Purchasers other than Commercial Paper, shall be payable at such time as funds are actually received by, or are available to, the CP Conduit Purchasers in excess of funds necessary to pay in full all outstanding Commercial Paper and, to the extent funds are not available to pay such obligations, the claims relating thereto shall not constitute a claim against the CP Conduit Purchasers but shall continue to accrue. Each party hereto agrees that the payment of any claim (as defined in Section 101 of Title 11 of the Bankruptcy Code) of any such party shall be subordinated to the payment in full of all Commercial Paper.

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No recourse under any obligation, covenant or agreement of the CP Conduit Purchasers contained in this Agreement shall be had against any incorporator, stockholder, officer, director, member, manager, employee or agent of the CP Conduit Purchasers, the Administrative Agent or any of their Affiliates (solely by virtue of such capacity) by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is solely a corporate obligation of the CP Conduit Purchasers, and that no personal liability whatever shall attach to or be incurred by any incorporator, stockholder, officer, director, member, manager, employee or agent of the CP Conduit Purchasers, the Administrative Agent or any of their Affiliates (solely by virtue of such capacity) or any of them under or by reason of any of the obligations, covenants or agreements of the CP Conduit Purchasers contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by the CP Conduit Purchasers of any of such obligations, covenants or agreements, either at common law or at equity, or by statute, rule or regulation, of every such incorporator, stockholder, officer, director, member, manager, employee or agent is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; provided that the foregoing shall not relieve any such Person from any liability it might otherwise have as a result of fraudulent actions taken or fraudulent omissions made by them. For purposes of this Section 10.09, each reference herein to a "CP Conduit Purchaser" shall include Nieuw Amsterdam both in its capacity as a "Committed Purchaser and in its capacity as a "CP Conduit Purchaser."

SECTION 10.10 Characterization of the Transactions Contemplated by this Agreement (a) It is the intention of the parties that the transactions contemplated hereby constitute (other than for tax purposes) the sale of the Transferred Interest, conveying good title thereto free and clear of any Adverse Claims to the CP Conduit Purchasers or the Committed Purchasers, as the case maybe, and that the Transferred Interest not be part of the Transferor's estate in the event of an insolvency. If, notwithstanding the foregoing, the transactions contemplated hereby should be deemed a financing, the parties intend that the Transferor shall be deemed to have granted to the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, and the Transferor hereby grants to the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, a first priority perfected and continuing security interest in all of the Transferor's right, title and interest in, to and under the Receivables outstanding on the Closing Date and thereafter owned by the Transferor, together with the Related Security and Collections with respect thereto and all Proceeds of the foregoing, whether now owned or hereafter acquired and wherever located, the Lockbox Accounts, and all of the Transferor's rights under the Receivables Purchase Agreement with respect to the Receivables and with respect to any obligations thereunder of the Seller with respect to the Receivables, and that this Agreement shall constitute a security agreement under applicable law. The Transferor hereby assigns to the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, all of its rights and remedies under the Receivables Purchase Agreement with respect to the Receivables and with respect to any obligations thereunder of the Seller with respect to the Receivables. The Transferor agrees that it shall not give any consent or waiver required or permitted to be given under the Receivables Purchase Agreement without the prior consent of the Administrative Agent and the Required Committed Purchasers, such consent not to be unreasonably withheld.

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(b) It is the intention of the parties that the transactions contemplated by the Receivables Transfer Agreement will create a debt obligation of the Transferor for United States Federal, state and local income and franchise tax purposes. Unless otherwise required by law, the parties agree to treat the transactions accordingly for all such purposes.

SECTION 10.11 Waiver of Setoff Each of the Administrative Agent, the Collection Agent, the Transferor and each Seller hereby waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against any CP Conduit Purchaser or its assets.

SECTION 10.12 Conflict Waiver (a) JPMCB acts as Administrative Agent and as Funding Agent for PARCO, as issuing and paying agent for PARCO's Commercial Paper, as provider of other backup facilities for PARCO, and may provide other services or facilities

from time to time (the "JPMCB Roles"). Without limiting the generality of Section 8.08, each of the parties hereto hereby acknowledges and consents to any and all JPMCB Roles, waives any objections it may have to any actual or potential conflict of interest caused by JPMCB's acting as the Administrative Agent or as a Committed Purchaser under the Asset Purchase Agreement with respect to PARCO and acting as or maintaining any of the JPMCB Roles, and agrees that in connection with any JPMCB Role, JPMCB may take, or refrain from taking, any action which it in its discretion deems appropriate.

(b) Rabobank acts as Funding Agent for Nieuw Amsterdam, as provider of other backup facilities for Nieuw Amsterdam, and may provide other services or facilities from time to time (the "Rabobank Roles"). Each of the parties hereto hereby acknowledges and consents to any and all Rabobank Roles, waives any objections it may have to any actual or potential conflict of interest caused by Rabobank's acting as a Committed Purchaser under the Asset Purchase Agreement with respect to Nieuw Amsterdam and acting as or maintaining any of the Rabobank Roles, and agrees that in connection with any Rabobank Role, Rabobank may take, or refrain from taking, any action which it in its discretion deems appropriate.

(c) SunTrust acts as Funding Agent for Three Pillars, as issuing and paying agent for Three Pillars's Commercial Paper, as provider of other backup facilities for Three Pillars, and may provide other services or facilities from time to time (the "SunTrust Roles"). Each of the parties hereto hereby acknowledges and consents to any and all SunTrust Roles, waives any objections it may have to any actual or potential conflict of interest caused by SunTrust's acting as a Committed Purchaser under the Asset Purchase Agreement with respect to Three Pillars and acting as or maintaining any of the SunTrust Roles, and agrees that in connection with any SunTrust Role, SunTrust may take, or refrain from taking, any action which it in its discretion deems appropriate.

SECTION 10.13 Limitation on the Termination of Sellers Notwithstanding anything to the contrary contained in the Receivables Purchase Agreement, the Transferor shall not consent to any request made pursuant to Section 8.03 thereof, nor shall any Seller or Seller Division which is the subject of such request be terminated under the Receivables Purchase Agreement, in each case unless (i) no Termination Event or Potential Termination Event (other than with respect to the Seller or Seller Division to be so terminated) has occurred and is continuing (both before and after giving effect to such termination) and (ii) the Administrative Agent shall have received prior notice of such termination.

SECTION 10.14 Replacement Due to De Nederlandsche Bank Required Consolidation (a) If De Nederlandsche Bank determines that any Affiliate of Rabobank is required to consolidate Nieuw Amsterdam on its balance sheets, Rabobank shall provide notice to the Administrative Agent and the Transferor within 5 Business Days after the date of such determination by De Nederlandsche Bank. The Transferor shall have the right for a 45 day period following the date of receipt by the Transferor of such notice from Rabobank regarding such determination by De Nederlandsche Bank:

(i) to replace Nieuw Amsterdam, as CP Conduit Purchaser, with a successor CP Conduit Purchaser (the "Replacement CP Conduit Purchaser") acceptable to the Administrative Agent and the Transferor, and Nieuw Amsterdam, as CP Conduit Purchaser, shall be obliged to assign all of its rights and obligations hereunder to such Replacement CP Conduit Purchaser, provided that (w) such Replacement CP Conduit Purchaser shall assume all the obligations of Nieuw Amsterdam, as CP Conduit Purchaser, hereunder or under any other Transaction Document with respect to Nieuw Amsterdam's CP Conduit Purchaser's Interest, (the "CP Conduit Replacement Price"), (x) Nieuw Amsterdam, as CP Conduit Purchaser, receives payment in full, of an amount equal to its CP Conduit Funded Amount, any accrued and unpaid interest and any other amounts due and owing to Nieuw Amsterdam, as CP Conduit Purchaser, under this Agreement and the other Transaction Documents, (y) such Replacement CP Conduit Purchaser receives written confirmation from S&P and Moody's that its CP rating is at least A-1/P-1, respectively, and (z) the Transferor shall have given Nieuw Amsterdam at least 5 days prior notice of such replacement; and/or

(ii) to replace Nieuw Amsterdam, as Committed Purchaser, with a successor Committed Purchaser (the "Replacement Committed Purchaser") acceptable to the Administrative Agent and the Transferor, and Nieuw Amsterdam, as Committed Purchaser, shall be obliged to assign all of its rights and obligations hereunder to such Replacement Committed Purchaser, provided that (w) such Replacement Committed Purchaser shall assume all the obligations of Nieuw Amsterdam, as Committed Purchaser, hereunder or under any other Transaction Document with respect to Nieuw Amsterdam's CP Conduit Purchaser's Interest, (x) Nieuw Amsterdam, as Committed Purchaser, receives payment in full of an amount equal to its Committed Purchaser Funded Amount, any accrued and unpaid interest and any other amounts due and owing to Nieuw Amsterdam, as Committed Purchaser, under this Agreement and the other Transaction Documents (the "Committed Purchaser Replacement Price"), (y) such Replacement Committed Purchaser shall be (1) a financial institution incorporated in an OECD country and rated at least A-1/P-1 (or the equivalent short-term ratio) by the Rating Agencies and (2) a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended) and (z) the Transferor shall have given Nieuw Amsterdam at least 5 days prior notice of such replacement; and/or

(iii) to replace Rabobank, as Funding Agent, with a successor Funding Agent (the "Replacement Funding Agent") acceptable to the Administrative Agent and the Transferor, and Rabobank, as Funding Agent, shall be obliged to assign all of its rights and obligations hereunder to such Replacement Funding Agent, provided that (x) each of the Replacement CP Conduit Purchaser and the Replacement Committed Purchaser shall appoint and authorize such Replacement Funding Agent, and such Replacement Funding Agent shall accept such appointment and authorization, to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are delegated to the Replacement Funding Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, (y) Rabobank as Funding Agent, receives payment in full of any amounts due and owing to Rabobank, as Funding Agent, under this Agreement and the other Transaction Documents (the "Funding Agent Replacement Price") and (z) the Transferor shall have given Rabobank at least 5 days prior notice of such replacement.

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(b) Upon (A) execution of all documents necessary for the assignments contemplated in clause (a) above, (B) delivery of an executed copy thereof to the Transferor and the Administrative Agent, (C) payment by the Replacement Committed Purchaser to Nieuw Amsterdam, as Committed Purchaser, of the Committed Purchaser Replacement Price (not including any amounts due pursuant to Section 2.23(b), such amounts due pursuant to Section 2.23(b) to be paid by the Transferor prior to the replacement of Nieuw Amsterdam), (D) payment by the Replacement CP Conduit Purchaser to Nieuw Amsterdam, as CP Conduit Purchaser, of the CP Conduit Replacement Price (not including any amounts due pursuant to Section 2.23(b), such amounts due pursuant to Section 2.23(b) to be paid by the Transferor prior to the replacement of Nieuw Amsterdam), (E) payment by the Replacement Funding Agent to Rabobank, as Funding Agent, of the Funding Agent Replacement Price and (F) receipt by the Replacement CP Conduit Purchaser of its Rating Confirmation, each of Nieuw Amsterdam, as CP Conduit Purchaser, Nieuw Amsterdam, as Committed Purchaser, and Rabobank, as Funding Agent, shall be released from its obligations hereunder and each of the Replacement CP Conduit Purchasers, the Replacement Committed Purchaser, and the Replacement Funding Agent shall, for all purposes, be a CP Conduit Purchaser, a Committed Purchaser or a Funding Agent, as the case may be, party to this Agreement and shall have all the rights and obligations of a CP Conduit Purchaser, Committed Purchaser or Funding Agent, as the case may be, under this Agreement to the same extent as if it were an original party hereto, and no further consent or action by the CP Conduit Purchasers, the Committed Purchasers, Funding Agents, Transferor or the Administrative Agent shall be required. The amount of Nieuw Amsterdam's Commitment Pro Rata Share of the CP Conduit Funded Amount allocable to the Replacement CP Conduit Purchaser shall be equal to Nieuw Amsterdam's Commitment Pro Rata Share of the CP Conduit Funded Amount which is transferred thereunder. The amount of Nieuw Amsterdam's Commitment Pro Rata Share of the Committed Purchaser Funded Amount allocable to the Replacement Committed Purchaser shall be equal to Nieuw Amsterdam's Commitment Pro Rata Share of the Committed Purchaser Funded Amount which is transferred thereunder. Any such assignment pursuant to this Section 10.14 shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of the Replacement CP Conduit Purchaser as a CP Conduit Purchaser, the Replacement Committed Purchaser as a Committed Purchaser and the Replacement Funding Agent as a Funding Agent and the resulting adjustment of Nieuw Amsterdam's Commitment arising from the purchase by the Replacement Purchaser of all of Nieuw Amsterdam's rights, obligations and interest hereunder. Such assignment and amendment does not require the consent of any other Related Group. Such assignment and amendment shall be consented to (x) by the Administrative Agent (such consent not to be unreasonably withheld), and (y) if any of Nieuw Amsterdam, as CP Conduit Purchaser, Nieuw Amsterdam, as Committed Purchaser, and Rabobank, as Funding Agent, has not assigned all of its rights and obligations pursuant to clause (a) above, by such party, at its sole discretion.

(c) Further Assurances. Each of the Transferor, Nieuw Amsterdam, as CP Conduit Purchaser, Nieuw Amsterdam, as Committed Purchaser, and Rabobank, as Funding Agent, agrees to execute and deliver such further agreements and documents (including amendments and supplements to this Agreement) and take such other actions as the Administrative Agent may reasonably request to evidence and give effect to the this Section 10.14.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Receivables Transfer Agreement as of the date first written above.

TYSON RECEIVABLES CORPORATION, as
Transferor

By: _____
Name:
Title:

TYSON FOODS, INC., individually as Collection Agent and as Guarantor

By: _____
Name:
Title:

JPMORGAN CHASE BANK (formerly known as The Chase Manhattan Bank), as Administrative Agent

By: _____
Name:
Title:

PARK AVENUE RECEIVABLES CORPORATION, as CP Conduit Purchaser

By: _____
Name:
Title:

JPMORGAN CHASE BANK (formerly known as The Chase Manhattan Bank), as Committed Purchaser for Park Avenue Receivables Corporation

By: _____
Name:
Title:

JPMORGAN CHASE BANK (formerly known as The Chase Manhattan Bank), as Funding Agent for Park Avenue Receivables Corporation

By: _____
Name:
Title:

THREE PILLARS FUNDING CORPORATION, as
CP Conduit Purchaser

By: _____

Name:

Title:

SUNTRUST BANK, as Committed Purchaser for
Three Pillars Funding Corporation

By: _____

Name:

Title:

SUNTRUST BANK, as Funding Agent for Three
Pillars Funding Corporation

By: _____

Name:

Title:

NIEUW AMSTERDAM RECEIVABLES
CORPORATION, as CP Conduit Purchaser

By: COÖPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK INTERNATIONAL", NEW YORK
BRANCH, as Attorney-in-Fact

By: _____
Name:
Title:

By: _____
Name:
Title:

NIEUW AMSTERDAM RECEIVABLES
CORPORATION, as Committed Purchaser for
Nieuw Amsterdam Receivables Corporation

By: COÖPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK INTERNATIONAL", NEW YORK
BRANCH, as Attorney-in-Fact

By: _____
Name:
Title:

By: _____
Name:
Title:

COÖPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK
INTERNATIONAL", NEW YORK BRANCH, as
Funding Agent for Nieuw Amsterdam Receivables
Corporation

By: _____

Name:

Title:

By: _____

Name:

Title:

SCHEDULE A

" Administrative Agent " shall mean JPMCB, as administrative agent on behalf of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers, and any successor appointed pursuant to Section 8.09 of the Receivables Transfer Agreement.

" Additional Seller Supplement " shall mean an agreement, in substantially the form attached to the Receivables Purchase Agreement as Exhibit B.

" Advance " shall have the meaning specified in Section 3.02(b) of the Receivables Purchase Agreement.

" Adverse Claim " shall mean a lien, security interest, charge or encumbrance, or other right or claim in, of or on any Person's assets or properties in favor of any other Person (including any UCC financing statement or any similar instrument filed against such Person's assets or properties).

" Affiliate " shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting stock, by contract or otherwise; provided, however, that a Person shall not be deemed an Affiliate of another Person solely by reason of an individual serving as an officer or director of any Person and provided further that any Person other than Tyson and its Subsidiaries which, directly or indirectly, is controlled by Don Tyson or the Tyson Limited Partnership shall not be deemed an Affiliate of Tyson or any of its Subsidiaries.

" Agent Seller " shall have the meaning specified in Section 2.02 of the Receivables Purchase Agreement.

" Aggregate Commitment " shall mean, at any time, the sum of the Commitments then in effect.

" Aggregate Unpays " shall mean, at any time, an amount equal to the sum of (i) the aggregate accrued and unpaid Discount at such time, (ii) the Net Investment at such time, (iii) aggregate accrued and unpaid Fees, (iv) all Indemnified Amounts, amounts payable pursuant to Section 2.21 and Indemnified Taxes and (v) all other amounts owed (whether due or accrued) by the Transferor to the Funding Agents, the CP Conduit Purchasers and the Committed Purchasers at such time.

" Amendment Date " shall mean August 16, 2002.

" Applicable Margin " shall mean, for any day

(a) with respect to any BR Tranche, the spread specified in the definition of "Applicable Rate" that is applicable to Revolving Loans that are ABR Loans, and

(b) with respect to any Eurodollar Tranche, the spread specified in the definition of "Applicable Rate" that is applicable to Revolving Loans that are Eurocurrency Loans,

in each case as defined in the Credit Agreements as in effect on the date hereof, and as amended by any amendment thereto.

" Asset Purchase Agreement " shall mean, with respect to any Related Group, the asset purchase agreement, liquidity agreement or other agreement among the CP Conduit Purchaser and/or the Committed Purchaser(s) of such Related Group, the Funding Agent of such Related Group or any liquidity provider ("Liquidity Provider") with respect to such Related Group as the same may from time to time be amended, supplemented or otherwise modified and in effect.

" Bankruptcy Code " shall have the meaning specified in Section 3.01(v) of the Receivables Transfer Agreement.

" Base Rate " or " BR " shall mean, for any date of determination, a rate per annum equal to the greater of (i) the prime rate of interest announced by the Administrative Agent from time to time, changing when and as said prime rate changes (such rate not necessarily being the lowest or best rate charged by the Administrative Agent) or (ii) the sum of (a) 1.00% and (b) the Federal Funds Rate for such date.

" Beneficiaries " shall mean the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent, collectively.

" Benefit Plan " shall mean any employee benefit plan as defined in Section 3(3) of ERISA in respect of which the Transferor, any Seller or any ERISA Affiliate of the Transferor, or any Seller is, or at any time during the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA.

" BR Tranche " shall mean a Tranche as to which Discount is calculated at the Base Rate plus the Applicable Margin.

" BR Tranche Period " shall mean, with respect to a BR Tranche, either (i) prior to the Termination Date, a period of up to thirty (30) days requested by the Transferor and agreed to by a CP Conduit Purchaser, a Committed Purchaser or the Funding Agent for such CP Conduit Purchaser or such Committed Purchaser, as the case may be, commencing on a Business Day requested by the Transferor and agreed to by the CP Conduit Purchaser, the Committed Purchaser or the Funding Agent for such CP Conduit Purchaser or such Committed Purchaser, as the case may be, or (ii) after the Termination Date, a period of one (1) day. If such BR Tranche Period would end on a day which is not a Business Day, such BR Tranche Period shall end on the next succeeding Business Day.

" Business Day " shall mean any day excluding Saturday, Sunday and any day on which banks in The City of New York are authorized or required by law to close, and, when used with respect to the determination of any Eurodollar Rate or any notice with respect thereto, any such day which is also a day for trading by and between banks in the London interbank market in United States dollar deposits.

" Capitalized Lease " of a Person shall mean any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP consistently applied.

" Carrying Cost Reserve Ratio " shall mean, on any date of determination, an amount, expressed as a percentage, equal to (a) the product of (i) 2 times DSO as of such day and (ii) the Base Rate in effect as of such day plus 2%, divided by (b) 365 (or 366, as applicable).

" Charged-Off Receivables " shall mean, with respect to any Settlement Period, all Receivables (or portions thereof) which, in accordance with the applicable Credit and Collection Policy, have or should have been written off during such Settlement Period as uncollectible, including, without limitation, the Receivables of any Obligor which becomes the subject of any voluntary or involuntary bankruptcy proceeding.

" Closing Date " shall mean October 19, 2001.

" Code " shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

" Collection Account " shall mean the account, established by the Administrative Agent, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, pursuant to Section 2.13(a) of the Receivables Transfer Agreement.

" Collection Agent " shall mean, at any time, the Person then authorized pursuant to Section 6.01 of the Receivables Transfer Agreement to act as Collection Agent. The initial Collection Agent shall be Tyson.

" Collection Agent Default " shall have the meaning specified in Section 6.07 of the Receivables Transfer Agreement.

" Collections " shall mean, with respect to any Receivable, all cash collections and other cash proceeds of such Receivable, including, without limitation, all Finance Charges, if any, and cash proceeds of Related Security with respect to such Receivable and any Deemed Collections.

" Commercial Paper " shall mean the short-term promissory notes of any CP Conduit Purchaser issued by such CP Conduit Purchaser in the commercial paper market.

" Commitment " shall mean, with respect to any Committed Purchaser, the sum of its Facility A Commitment and its Facility B Commitment.

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" Commitment Expiry Date " shall initially mean with respect to each Committed Purchaser, its Facility A Commitment Expiry Date or its Facility B Commitment Expiry Date, as the case may be.

" Commitment Pro Rata Share " shall mean, on any date of determination, (a) with respect to any CP Conduit Purchaser, the ratio (expressed as a percentage) of such CP Conduit Purchaser's CP Conduit Funding Limit to the Program Limit at such time, (b) with respect to any Committed Purchaser, the ratio (expressed as a percentage) of such Committed Purchaser's Commitment to the Aggregate Commitment at such time, and (c) with respect to any Related Group, the ratio (expressed as a percentage) of the aggregate amount of the Commitments of each Committed Purchaser in such Related Group to the Aggregate Commitment at such time.

" Committed Purchaser Funded Amount " shall mean, with respect to any Committed Purchaser in any Related Group for any day,

the excess, if any, of the portion of the Net Investment funded by all Committed Purchasers in such Related Group on such day over the CP Conduit Funded Amount of such CP Conduit Purchaser for such day x $\frac{\text{such Committed Purchaser's Commitment}}{\text{the aggregate Commitments of all Committed Purchasers in the same Related Group}}$

" Committed Purchasers " shall mean the banks and other financial institutions identified as such on Schedule B to the Receivables Transfer Agreement, as the same may be amended, supplemented or otherwise modified and in effect from time to time, together with their respective successors and permitted assigns.

" Concentration Factor " shall mean, as of any date of determination, with respect to any Designated Obligor, except for a Special Obligor, a percentage equal to the following:

- I. with respect to Receivables of any Obligor with short-term or long-term ratings of at least A-1 or A by S&P, respectively, and at least P-1 or A2 by Moody's, respectively, 12.0%;
- II. with respect to Receivables of any Obligor with short-term or long-term ratings of at least A-2 or BBB- by S&P, respectively, and at least P-2 or Baa3 by Moody's, respectively, 6.0% (and not qualified under clause (i) above);
- III. with respect to Receivables of any Obligor with short-term or long-term ratings below A-2 or BBB- by S&P, respectively, and below P-2 or Baa3 by Moody's, respectively, 3.0% (and not qualified under clause (i) or (ii) above); and
- IV. with respect to Receivables of any other Obligor, 3.0%.

The Concentration Factor for Obligors with split ratings shall be determined based upon the lower of the two ratings.

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" Conduit Assignee " shall mean, with respect to any CP Conduit Purchaser, any commercial paper conduit that issues commercial paper rated at least A-1 by S&P and P-1 by Moody's administered by the Funding Agent with respect to such CP Conduit Purchaser and designated by such Funding Agent to accept an assignment from such CP Conduit Purchaser of such CP Conduit Purchaser's rights and obligations pursuant to Section 10.06(b).

" Contract " shall mean a written agreement or invoice, pursuant to or under which an Obligor shall be obligated to pay for merchandise purchased or services rendered and including all items and provisions incorporated or implied by applicable law, including, without limitation, the Relevant UCC.

" Conversion/Continuation Notice " shall have the meaning specified in Section 2.17 of the Receivables Transfer Agreement.

" CP Conduit Funded Amount " shall mean, with respect to any CP Conduit Purchaser for any day, the aggregate portion of the Net Investment funded by such CP Conduit Purchaser through the issuance of Commercial Paper outstanding on such day.

" CP Conduit Funding Limit " shall mean, with respect to any CP Conduit Purchaser, the sum of its Facility A CP Conduit Funding Limit and its Facility B CP Conduit Funding Limit.

" CP Conduit Purchasers " shall mean the Persons identified as such on Schedule B to the Receivables Transfer Agreement, as the same may be amended, supplemented or otherwise modified and in effect from time to time, together with their respective successors and permitted assigns.

" CP Conduit Purchaser's Insolvency Event " shall mean the occurrence of any one or more of the following: (a) any proceeding shall have been instituted by a CP Conduit Purchaser seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of any order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property, or (b) any proceeding of the type described in the foregoing clause (a) shall be instituted against a CP Conduit Purchaser and shall have remained undismissed for a period of sixty (60) consecutive days, or an order granting relief requested in any such proceeding shall be entered.

" CP Conduit Purchaser's Interest " shall mean, on any day, with respect to any CP Conduit Purchaser, the beneficial interest of such CP Conduit Purchaser in the Receivables and Related Security, which beneficial interest shall equal the product of:

the Percentage Factor on such day	x	the Outstanding Balance of all Receivables	x	the CP Conduit Funded Amount of such CP Conduit Purchaser the Net Investment
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" CP Conduit Purchaser's Termination Event " shall mean, as applicable, (a) a PARCO Termination Event, (b) in the case of any other CP Conduit Purchaser party to this agreement on the Closing Date, that the providers of such CP Conduit Purchaser's program liquidity and/or credit enhancement facilities shall have given notice that an event of default has occurred and is continuing under their respective agreements with such CP Conduit Purchaser or commitments of the related Committed Purchaser(s) or Liquidity Provider(s) under the applicable Asset Purchase Agreement have terminated for any reason (unless, in the case of Nieuw Amsterdam, such commitment has been fully funded by a deposit of funds to an account controlled by Nieuw Amsterdam which can be used solely to fund Purchases), or (c) in the case of any Conduit Assignee or other Person who becomes a CP Conduit Purchaser after the Closing Date, the "CP Conduit Purchaser's Termination Event" specified in the agreement by which such Person becomes a party to the Receivables Transfer Agreement.

" CP Rate " shall mean,

(a) with respect to any CP Tranche funded or maintained by any Match Funding CP Conduit Purchaser during any CP Tranche Period, the rate equivalent to the weighted average of (i) the discount rate (or if more than one discount rate, the weighted average of the discount rates) at which Commercial Paper having a term equal to such CP Tranche Period is issued by such Match Funding CP Conduit Purchaser, converted to an annual yield-equivalent rate on the basis of a 360-day year, which

rates shall include placement agent and dealer fees and commissions and (ii) the annual interest rate (or if more than one rate, the weighted average of the annual interest rates) payable by such Match Funding CP Conduit Purchaser on interest-bearing Commercial Paper having a term equal to such CP Tranche Period, on the basis of a 360-day year, which rates shall include placement agent and dealer fees and commissions, and

(b) with respect to any CP Conduit Funded Amount funded or maintained by any Pooled Funding CP Conduit Purchaser during any CP Tranche Period, the rate equivalent to the weighted average of:

(i) the weighted average of the discount rates on all of such Pooled Funding CP Conduit Purchaser's Commercial Paper issued at a discount and outstanding during such Tranche Period, converted to an annual yield-equivalent rate on the basis of a 360-day year, and

(ii) the weighted average of the annual interest rates payable by such Pooled Funding CP Conduit Purchaser on all interest-bearing Commercial Paper outstanding during such Tranche Period, on the basis of a 360-day year,

which rates shall be adjusted to reflect and include:

(iii) placement agent and dealer fees and commissions;

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(iv) any incremental carrying costs associated with Commercial Paper issued by such CP Conduit Purchaser maturing on the dates other than those dates on which such CP Conduit Purchaser is to receive funds; and

(v) other borrowings by such CP Conduit Purchaser, including, without limitation, borrowings to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market;

provided, that (1) to the extent that such CP Tranche is funded by a specific issuance of such Pooled Funding CP Conduit Purchaser's Commercial Paper, the "CP Rate" may, in such Pooled Funding CP Conduit Purchaser's sole discretion, equal the rate or weighted average of the rates applicable to such issuance, calculated in the same manner as if such CP Conduit Purchaser were a Match Funding CP Conduit Purchaser, and (2) the Commercial Paper described in clauses (b)(i) and (b)(ii) shall not include any Commercial Paper allocated, in such CP Conduit Purchaser's sole discretion, to another transaction.

" CP Tranche " shall mean a Tranche as to which Discount is calculated at the CP Rate.

" CP Tranche Period " shall mean, (a) for any Match Funding CP Conduit Purchaser, with respect to a CP Tranche, a period of days not to exceed 45 days commencing on a Business Day requested by the Transferor and agreed to by such Match Funding CP Conduit Purchaser pursuant to Section 2.03 of the Receivables Transfer Agreement; provided that if a CP Tranche Period would end on a day which is not a Business Day, such CP Tranche Period shall end on the next succeeding Business Day, and (b) for any Pooled Funding CP Conduit Purchaser, with respect to a CP Tranche, each calendar month; provided that on or after the Termination Date, each Pooled Funding CP Conduit Purchaser (or the Funding Agent with respect to such Pooled Funding CP Conduit Purchaser) shall select all CP Tranche Periods.

" Credit Agreements " shall mean the 364-Day Credit Agreement and the Five-Year Credit Agreement.

" Credit Agreement Event of Default " shall mean an event of default, as defined in the Credit Agreements, including any event of default arising out of a breach of a financial covenant, which results in, or has continued unremedied for a period of time sufficient to permit, the acceleration of the indebtedness under the Credit Agreements or the termination of any related obligation to make a financial accommodation.

" Credit and Collection Policy " shall mean each applicable Seller's credit and collection policy or policies relating to Contracts and Receivables existing on the Closing Date and referred to in Exhibit A attached to the Receivables Transfer Agreement, as amended, supplemented or otherwise modified and in effect from time to time in compliance with Section 5.02(c) of the Receivables Transfer Agreement.

" Deemed Collections " shall mean any Collections on any Receivable deemed to have been received pursuant to Section 2.10(a) or (b) of the Receivables Transfer Agreement.

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" Default " shall mean an event described in Section 7.01(2) of the Receivables Transfer Agreement.

" Default Ratio " shall mean, on any day, a fraction, the numerator of which is the sum of (a) the Outstanding Balance of all Receivables which are 61-90 days past their original invoice date as of the end of the preceding Settlement Period plus (b) the Outstanding Balance of all Receivables which were written off as uncollectible by the Collection Agent in accordance with the applicable Credit and Collection Policy during the preceding Settlement Period prior to 61 days after their original invoice dates and the denominator of which is the balance of all Receivables which arose during the Settlement Period two Settlement Periods before the last day of the most recently ended Settlement Period.

" Defaulted Receivable " shall mean a Receivable: (i) as to which any payment, or part thereof, remains unpaid for 61 days or more from the original invoice date for such Receivable; (ii) as to which an Event of Bankruptcy has occurred and is continuing with respect to the Obligor thereof; (iii) which has been identified by the Transferor, the Seller or the Collection Agent as uncollectible; or (iv) which, in accordance with the applicable Credit and Collection Policy, should be written off as uncollectible.

" Delinquency Ratio " shall mean, on any day, a fraction the numerator of which is the sum of all Delinquent Receivables as of the end of the preceding Settlement Period and the denominator of which is the aggregate principal amount of all outstanding Receivables as of the end of the preceding Settlement Period.

" Delinquent Receivable " shall mean a Receivable as to which any payment, or part thereof, remains unpaid for 61 days or more past its original invoice date.

" Designated Obligor " shall mean, at any time, each Obligor; provided, however, that any Obligor shall cease to be a Designated Obligor upon notice to the Transferor from the Administrative Agent, delivered at any time, confirming that the Administrative Agent acting at the direction of the Administrative Agent and the Required Committed Purchasers has concluded that an event or condition has occurred that could reasonably be expected to have a Material Adverse Effect.

" Diluted Receivable " shall mean, any Receivable which is the subject of a reduction or cancellation as a result of any defective, rejected or returned merchandise or services or is the subject of a credit, rebate, discount, dispute, warranty claim, repossessed or returned goods, charge back, allowance, other dilutive factor or any other billing adjustment (whether effected through the granting of credits against the applicable Receivables or by the issuance of a check or other payment in respect of (and as payment for) such reduction or cancellation) or any setoff in respect of any claim by any Person, but excluding adjustments, reductions, or cancellations in respect of the Obligor's bankruptcy or insolvency.

" Dilution Period " shall mean, on any day, a number equal to a fraction, the numerator of which is the product of (i) the sum of all Receivables which arose during the Settlement Period immediately preceding such day and (ii) DSO divided by 30 and the denominator of which is the Net Receivables Balance.

" Dilution Ratio " shall mean, as of the last day of each Settlement Period, the percentage equivalent of a fraction, the numerator of which is the aggregate amount of Receivables which became Diluted Receivables during such Settlement Period (including any rebate that is not credited against a Receivable) and the denominator of which is the average of the aggregate principal amount of all Receivables arising during the Settlement Period ended on such day and the immediately preceding Settlement Period.

" Dilution Reserve Ratio " shall mean, as of any Settlement Date, and continuing until (but not including) the next Settlement Date, an amount (expressed as a percentage) that is calculated as follows:

$$DRR = [(C \times D) + [(E-D) \times (E/D)]] \times F$$

Where:

DRR	=	Dilution Reserve Ratio;
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C = (i) 2.0 or (ii) following a downgrade of Tyson or any of its rated affiliates below BB+ or Ba1, respectively, by either S&P or Moody's, 2.25;

C = the twelve-month rolling average of the Dilution Ratio that occurred during the period of twelve consecutive Settlement Periods ending immediately prior to such earlier Settlement Date;

E = the highest Dilution Ratio that occurred during the period of twelve consecutive Settlement Periods ending prior to such earlier Settlement Date; and

F = the Dilution Period.

" Discount " shall mean, with respect to any Tranche Period:

$$\frac{(TR \times TNI \times AD)}{YD}$$

Where:

TR = the Tranche Rate applicable to such Tranche Period;

TNI = the portion of the Net Investment allocated to such Tranche Period;

AD = the actual number of days during such Tranche Period; and

YD = either (i) if the Tranche Rate is the CP Rate or the Eurodollar Rate, 360 or (ii) if the Tranche Rate is the Base Rate, 365 or 366, as applicable;

provided, however, that no provision of the Receivables Transfer Agreement shall require the payment or permit the collection of Discount in excess of the maximum amount permitted by applicable law; and provided, further, that Discount shall not be considered paid by any distribution if, at any time, such distribution is rescinded or must be returned for any reason.

" Discount Percentage " shall mean, on any date, the percentage obtained from the following formula:

$$100\% - (A + B + C + D)$$

all determined by the Transferor as of the related Transfer Date,

Where

A = Adjusted Loss Reserve Percentage, which as of such Transfer Date will equal the ratio obtained by dividing (a) Charged-Off Receivables (net of recoveries in respect of Charged-Off Receivables) during the six-fiscal month period immediately preceding the Settlement Date most recently preceding such Transfer Payment Date by (b) the aggregate amount of Collections during the six-fiscal month period immediately preceding the Settlement Date most recent to such Transfer Date.

B = Adjusted Carrying Cost Reserve Percentage, which as of such Transfer Date will equal the amount obtained by dividing (a) the product of (i) 1.3, (ii) the average of the DSO for the three Settlement Dates most recent to such Transfer Date and (iii) the Base Rate as of the Settlement Date most recent to such Transfer Date by (b) 365.

C = The Servicing Fee Percentage divided by 360.

D = Processing Expense Reserve Percentage, which will equal 1/10 of 1% and reflects the cost of the Transferor's overhead, including costs of processing the purchase of Receivables and other normal operation costs and a reasonable profit margin.

None of the elements of the above-referenced formula, in respect of any purchase of Receivables, will be adjusted following the related Transfer Date.

With respect to each calculation set forth above with respect to a Settlement Date, such calculation as calculated on such Settlement Date and included in the applicable Settlement Statement shall remain in effect from and including the related Settlement Date to but excluding the following Settlement Date.

For the initial Settlement Period, the Discount Percentage will be 99.587%.

" Downgrade Condition " shall mean any time when Tyson or any of its rated affiliates is rated below BBB- or Baa3, respectively, or Tyson is not rated, by either S&P or Moody's.

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" DSO " shall mean, on any Settlement Date, the number of calendar days equal to the product of (a) 91 and (b) the amount obtained by dividing (i) the Net Receivables Balance as of the last day of the immediately preceding Settlement Period by (ii) the aggregate balance of Receivables which arose during the three (3) consecutive Settlement Periods immediately preceding such Settlement Date, which calculation shall remain in effect until the next succeeding Settlement Date for all purposes of this Agreement.

" Early Collection Fee " shall mean, for any Tranche Period during which the portion of the Net Investment that was allocated to such Tranche Period is reduced for any reason whatsoever, the excess, if any, of (i) the additional Discount that would have accrued during such Tranche Period if such reductions had not occurred, minus (ii) the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions.

" Eligible Obligor " shall mean any Obligor, of which not more than 25% of such Obligor's aggregate Receivables are more than 60 days past their original invoice date.

" Eligible Receivable " shall mean, at any time, any Receivable:

(1) which has been originated by any Seller that is not subject to an Event of Bankruptcy and has been subsequently sold to the Transferor pursuant to (and in accordance with) the Receivables Purchase Agreement, and to which the Transferor has good title thereto, free and clear of all Adverse Claims other than those imposed in connection or permitted by with the Transaction Documents;

(2) which (together with the Collections and Related Security related thereto) has been the subject of either (A) a valid transfer and assignment from the Transferor to the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, of all of the Transferor's right, title and interest therein or (B) the grant of a first priority perfected security interest therein (and in the Collections and Related Security related thereto) in favor of the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, in each case effective until the termination of the Receivables Transfer Agreement.

(3) the Obligor of which is (A) a United States resident or a resident of a U.S. territory, (B) a Designated Obligor at the time of the initial creation of an interest therein under the Receivables Transfer Agreement, (C) not

an Official Body or an Affiliate of any of the parties to the Receivables Transfer Agreement, (D) not the subject of an Event of Bankruptcy, and (E) an Eligible Obligor;

(4) which is not a Delinquent Receivable or a Defaulted Receivable;

(5) which (A) arises pursuant to a Contract with respect to which the Seller has performed all obligations required to be performed by it thereunder, including, without limitation, shipment of the merchandise and/or the performance of the services purchased thereunder; and (B) according to the Contract related thereto, has been billed and is required to be paid in full within 60 days of the original billing date therefor in accordance with the terms of the applicable Contract;

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(6) which is an "eligible asset" as defined in Rule 3a-7 under the Investment Company Act of 1940, as amended;

(7) which is (A) an "account" within the meaning of Section 9-102(a)(2) of the Relevant UCC, or (B) a "general intangible" (to the extent that such Receivables include interest, finance charges, returned check or late charges or sales or similar taxes) within the meaning of Section 9-102(a)(42) of such Relevant UCC;

(8) which is denominated and payable only in United States dollars in the United States;

(9) which arises under a Contract that, together with the Receivable related thereto, is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor, enforceable against such Obligor in accordance with its terms and is not subject to any litigation, dispute, offset, counterclaim or other defense other than unexpired volume or pricing discounts or rebates to which the obligor thereon may be entitled, provided that only such portion of such receivable subject to any such dispute, offset, counterclaim or defense shall be deemed ineligible under this criterion;

(10) which, together with the Contract related thereto, does not contravene in any material respect any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no part of the Contract related thereto is in violation of any such law, rule or regulation in any material respect;

(11) which (A) satisfies in all material respects all applicable requirements of the applicable Credit and Collection Policy, (B) is assignable without the consent of, or notice to, the Obligor thereunder and (C) complies at the time of the initial creation of an interest therein under the Receivables Transfer Agreement with such other reasonable criteria and requirements as the Administrative Agent and the Required Committed Purchasers have then specified to the Transferor following five (5) days' notice;

(12) which was originated in the ordinary course of the Seller's business or acquired from an originator approved by the Administrative Agent and the Required Committed Purchasers;

(13) the Obligor of which has been directed to make all payments to a specified account of the Transferor with respect to which there shall be a Lockbox Account Agreement in effect;

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(14) the assignment of which under the Receivables Purchase Agreement by the Seller to the Transferor

and the assignment of which under the Receivables Transfer Agreement by the Transferor to the CP Conduit Purchasers and the Committed Purchasers does not violate, conflict with or contravene any applicable laws, rules, regulations, orders or writs or any contractual or other restriction, limitation or encumbrance and does not require the consent of any person;

(15) which has not been compromised, adjusted or modified except in accordance with the applicable Credit and Collection Policy (including by the extension of time for payment or the granting of any discounts, allowances or credits), provided that only such portion of such receivable that has been so compromised, adjusted or modified shall be deemed ineligible pursuant to this criterion;

(16) which, if purchased with proceeds of Commercial Paper, would constitute a "current transaction" within the meaning of Section 3(a)(3) of the Securities Act of 1933, as amended; and

(17) which does not arise under a Contract that has been rewritten.

" ERISA " shall mean the Employee Retirement Income Security Act of 1974, as amended, supplemented or otherwise modified and in effect from time to time, and the rules and regulations promulgated thereunder.

" ERISA Affiliate " shall mean, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code (as in effect from time to time, the "Code")) as such Person; (ii) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with such Person; or (iii) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as such Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above.

" Eurocurrency Liabilities " has the meaning specified in Regulation D of the Federal Reserve Board, as in effect from time to time.

" Eurodollar Rate " shall mean, with respect to any Eurodollar Tranche for any Eurodollar Tranche Period, (i) the rate quotation appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days before the beginning of such Eurodollar Tranche Period, as the rate for dollar deposits with a maturity comparable to such Eurodollar Tranche Period, divided by (ii) a percentage equal to 100% minus the Eurodollar Reserve Percentage of the applicable CP Conduit Purchaser or CP Committed Purchaser for such Eurodollar Tranche Period. If the rate quotation referred to in clause (i) is not available at such time for any reason, then the amount determined pursuant to clause (i) with respect to such Eurodollar Tranche for such Eurodollar Tranche Period shall be the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Eurodollar Tranche Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days before the beginning of such Eurodollar Tranche Period.

" Eurodollar Reserve Percentage " shall mean, with respect to any Eurodollar Tranche Period for any Eurodollar Tranche, the reserve percentage applicable during such Eurodollar Tranche Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Eurodollar Tranche Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) for the applicable CP Conduit Purchaser or Committed Purchaser with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Eurodollar Tranche Period.

" Eurodollar Tranche " shall mean a Tranche as to which Discount is calculated at the Eurodollar Rate plus the Applicable Margin.

" Eurodollar Tranche Period " shall mean, with respect to a Eurodollar Tranche, a period of up to three (3) months requested by the Transferor and agreed to by a CP Conduit Purchaser, a Committed Purchaser or the Funding Agent for such CP Conduit Purchaser or such Committed Purchaser commencing on a Business Day requested by the Transferor and agreed to by the CP Conduit Purchaser, the Committed Purchaser or the Funding Agent for such CP Conduit Purchaser or such Committed Purchaser; provided, however, that

(a) if such Eurodollar Tranche Period would expire on a day which is not a Business Day, such Eurodollar Tranche Period shall expire on the next succeeding Business Day;

(b) if such Eurodollar Tranche Period would expire on (i) a day which is not a Business Day but is a day of the month after

which no further Business Day occurs in such month, such Eurodollar Tranche Period shall expire on the next preceding Business Day or (ii) a Business Day for which there is no numerically corresponding day in the applicable subsequent calendar month, such Eurodollar Tranche Period shall expire on the last Business Day of such month; and

(c) on or after the Termination Date, each CP Conduit Purchaser or Committed Purchaser (or the Funding Agent with respect to such CP Conduit Purchaser or Committed Purchaser) shall select all Eurodollar Tranche Periods (but in no case a Eurodollar Tranche Period of greater than one month).

" Event of Bankruptcy " shall mean, with respect to any Person, that:

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(i) such Person (a) shall generally not pay its debts as such debts become due or (b) shall admit in writing its inability to pay its debts generally or (c) shall make a general assignment for the benefit of creditors;

(ii) any proceeding shall be instituted by or against such Person seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property, and, if instituted against such Person, shall remain undischarged for a period of 60 days; or

(iii) if such Person is not an individual, such Person or any Subsidiary shall take any corporate or similar action to authorize any of the actions set forth in the preceding clauses (i) or (ii).

" Facility " shall mean either Facility A or Facility B, as applicable.

" Facility A " shall have the meaning specified in Section 2.01 of the Receivables Transfer Agreement.

" Facility A CP Conduit Funding Limit " shall mean, with respect to any CP Conduit Purchaser, the amount set forth opposite such CP Conduit Purchaser's name on Schedule B to the Receivables Transfer Agreement as its Facility A CP Conduit Funding Limit, as the same may be reduced from time to time as provided in Section 2.07 of the Receivables Transfer Agreement.

" Facility A Commitment " shall mean, with respect to any Committed Purchaser, the amount specified as such on Schedule B to the Receivables Transfer Agreement for such Committed Purchaser, as the same may be reduced from time to time as provided in Section 2.07 of the Receivables Transfer Agreement.

" Facility A Commitment Expiry Date " shall initially mean with respect to each Committed Purchaser, the day that is 364 days after the Amendment Date, as extended from time to time with respect to such Committed Purchaser pursuant to Section 2.26 of the Receivables Transfer Agreement.

" Facility A Net Investment " shall mean, with respect to any Related Group, the amount of the Net Investment of such Related Group that is attributable to Facility A.

" Facility B " shall have the meaning specified in Section 2.01 of the Receivables Transfer Agreement.

" Facility B CP Conduit Funding Limit " shall mean, with respect to any CP Conduit Purchaser, the amount set forth opposite such CP Conduit Purchaser's name on Schedule B to the Receivables Transfer Agreement as its Facility B CP Conduit Funding Limit, as the same may be reduced from time to time as provided in Section 2.07 of the Receivables Transfer Agreement.

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" Facility B Commitment " shall mean, with respect to any Committed Purchaser, the amount specified as such on Schedule B to the Receivables Transfer Agreement for such Committed Purchaser, as the same may be reduced from time to time as provided in Section 2.07 of the Receivables Transfer Agreement.

" Facility B Commitment Expiry Date " shall mean the earliest of:

(a) the day that is three years after the Amendment Date;

(b) if the Financial Accounting and Standards Board determines that any Affiliate of any Committed Purchaser is required to consolidate a CP Conduit Purchaser on its balance sheet, then the Facility B Commitment Expiry Date

(i) with respect to any affected Committed Purchaser, and

(ii) with respect to any other Committed Purchaser, at its option,

shall mean the earlier of (x) the 364th day from the date of the determination by the Financial Accounting and Standards Board or (y) the day that is three years after the Amendment Date;

(c) if De Nederlandsche Bank determines that Rabobank or any Affiliate of Rabobank is required to consolidate Nieuw Amsterdam on its balance sheet and, within 45 days after receipt by the Transferor of notice from Rabobank of such determination by De Nederlandsche Bank, the Transferor has not replaced at least one of Nieuw Amsterdam as CP Conduit Purchaser or Nieuw Amsterdam as Committed Purchaser or Rabobank International as Funding Agent pursuant to Section 10.14 of the Receivables Transfer Agreement, then the Facility B Commitment Expiry Date

(i) with respect to Nieuw Amsterdam, as Committed Purchaser, and

(ii) with respect to any other Committed Purchaser, at its option,

shall mean the earlier of (x) the 364th day from the date of the determination by De Nederlandsche Bank or (y) the day that is three years after the Amendment Date; or

(d) if De Nederlandsche Bank determines that Rabobank or any Affiliate of Rabobank is required to consolidate Nieuw Amsterdam on its balance sheet and, within 45 days after receipt by the Transferor of notice from Rabobank of such determination by De Nederlandsche Bank, the Transferor has replaced Nieuw Amsterdam as CP Conduit Purchaser or Nieuw Amsterdam as Committed Purchaser or Rabobank International as Funding Agent pursuant to Section 10.14 of the Receivables Transfer Agreement, then the Facility B Commitment Expiry Date shall mean the day that is three years after the Amendment Date.

" Facility B Net Investment " shall mean, with respect to any Related Group, the amount of the Net Investment of such Related Group that is attributable to Facility B.

" Facility Pro Rata Share " shall mean, on any date of determination, (a) with respect to (i) Facility A of any CP Conduit Purchaser, the ratio (expressed as a percentage) of such CP Conduit Purchaser's Facility A CP Conduit Funding Limit to its CP Conduit Funding Limit at such time and (ii) Facility B of any CP Conduit Purchaser, the ratio (expressed as a percentage) of such CP Conduit Purchaser's Facility B CP Conduit Funding Limit to its CP Conduit Funding Limit at such time, (b) with respect to (i) Facility A of any Committed Purchaser, the ratio (expressed as a percentage) of such Committed Purchaser's Facility A Commitment to its Commitment at such time and (ii) Facility B of any Committed Purchaser, the ratio (expressed as a percentage) of such Committed Purchaser's Facility B Commitment to its Commitment at such time, and (c) with respect to (i) Facility A of any Related Group, the ratio (expressed as a percentage) of the aggregate amount of the Facility A Commitments of all Committed Purchasers in such Related Group to the aggregate Commitments of all Committed Purchasers in such Related Group and (ii) Facility B of any Related Group, the ratio (expressed as a percentage) of the aggregate amount of the Facility B Commitments of all Committed Purchasers in such Related Group to the aggregate Commitments of all Committed Purchasers in such Related Group.

" Federal Funds Rate " shall mean, for any day, an interest rate per annum equal to (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or (b) if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 A.M. (New York time) on such day on such transactions received by the Administrative Agent from three (3) federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

" Fee Letter " shall mean the letter agreement, dated the Closing Date, between the Transferor and the Administrative Agent, for the benefit and on behalf of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers with respect to the fees to be paid by

the Transferor under the Transaction Documents, as amended, supplemented or otherwise modified and in effect from time to time.

" Fees " shall mean the fees payable pursuant to the Fee Letter.

" Finance Charges " shall mean, with respect to a Contract, any finance, interest, late or similar charges owing by an Obligor pursuant to such Contract.

" Fitch " shall mean Fitch, Inc., and its successors and assigns.

" Five-Year Credit Agreement " shall mean that certain Five-Year Credit Agreement, dated as of September 24, 2001, by and among Tyson, certain subsidiaries of Tyson, The Chase Manhattan Bank, as administrative agent, J.P. Morgan Securities Inc., as arranger and the various lending institutions party thereto, as amended, supplemented or otherwise modified or replaced or refinanced and in effect from time to time.

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" Foodbrands Entities " shall mean each Subsidiary of Tyson other than the Transferor, The Pork Group, Inc., Tyson Mexican Original, Inc., Tyson Sales and Distribution, Inc., World Resource, Inc., IBP, inc., and The IBP Foods Company.

" Funding Agents " shall mean the Persons identified as such on Schedule B to the Receivables Transfer Agreement, as the same may be amended, supplemented or otherwise modified and in effect from time to time, together with their respective successors and permitted assigns.

" GAAP " shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such accounting profession, which are in effect as of the date of the Receivables Transfer Agreement.

" Guarantor " shall mean Tyson in its capacity as Guarantor under the Limited Guaranty.

" Guaranty " shall mean, with respect to any Person, any agreement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person or otherwise assures any other creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement or take-or-pay contract and shall include, without limitation, the contingent liability of such Person in connection with any application for a letter of credit; provided , however , that the term "Guaranty" shall not mean or include the endorsements by such Person of instruments for deposit or collection in the ordinary course of business.

" Incremental Transfer " shall mean a Transfer which is made pursuant to Section 2.02(a) of the Receivables Transfer Agreement.

" Indebtedness " shall mean, with respect to any Person, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property other than accounts payable arising in the ordinary course of such Person's business on terms customary in the trade, (iii) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) Capitalized Lease obligations and (vi) Guaranty obligations.

" Indemnified Amounts " shall have the meaning specified in Section 2.20 of the Receivables Transfer Agreement.

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" Indemnified Party " shall have the meaning specified in Section 2.20 of the Receivables Transfer Agreement.

" Indemnified Taxes " shall mean any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Official Body, excluding :

(A) all franchise taxes, all taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed on or measured by net income, capital or net worth and all taxes, levies, imposts, duties, charges, fees, deductions and withholdings on doing business, in each case, imposed:

(i) by the United States or any political subdivision or taxing authority thereof or therein;

(ii) by any jurisdiction under the laws of which the Administrative Agent, any CP Conduit Purchaser, any Funding Agent, any Committed Purchaser, any Program Support provider or an Indemnified Party or lending office is organized or in which its lending office is located, managed or controlled or in which its principal office is located or any political subdivision or taxing authority thereof or therein; or

(iii) by reason of any connection between the jurisdiction imposing such tax and the Administrative Agent, any CP Conduit Purchaser, any Funding Agent, any Committed Purchaser, any Program Support Provider, such Indemnified Party or such lending office other than a connection arising solely from this Agreement or any other Transaction Document or any transaction hereunder or thereunder,

(B) all penalties, interests, additions to taxes and expenses resulting from gross negligence or wilful misconduct on the part of the Administrative Agent, any CP Conduit Purchaser, any Funding Agent, any Committed Purchaser, any Program Support Provider, or an Indemnified Party, as the case may be, and

(C) all taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed by reason of the failure of any Indemnified Party to comply with its obligations, if any, under Section 2.22(b) of the Receivables Transfer Agreement (including, without limitation, its inability to comply with Section 2.22(b)(i) of the Receivables Transfer Agreement.

" JPMCB " shall mean JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), a New York State banking corporation, in its individual capacity, and its successors.

" JPMCB Roles " shall have the meaning specified in Section 10.12(a) of the Receivables Transfer Agreement.

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" Law " shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body.

" Lender " shall have the meaning specified in Section 10.02(b) of the Receivables Transfer Agreement.

" Limited Guaranty " shall mean the Guaranty of the Guarantor under Article IX of the Receivables Transfer Agreement.

" Liquidating Related Group " shall mean any Committed Purchaser whose Facility A Commitment has reached its Facility A Commitment Expiry Date, together with each related CP Conduit Purchaser.

" Liquidation Share " shall mean, for any Liquidating Related Group, during the term of the applicable Partial Liquidation and any day during such Partial Liquidation, 100%.

" Liquidity Provider " shall have the meaning specified in the definition of Asset Purchase Agreement herein.

" Lockbox Account " shall mean an account maintained by the Transferor or an Account Holder identified in any Lockbox Agreement at a Lockbox Bank for the purpose of receiving Collections from Receivables.

" Lockbox Agreement " shall mean an agreement between the Collection Agent, the Transferor, any applicable Account Holder identified therein, the Administrative Agent and a Lockbox Bank in substantially the form of Exhibit C to the Receivables Transfer Agreement.

" Lockbox Bank " shall mean each of the banks set forth in Exhibit B to the Receivables Transfer Agreement, and such banks as may be added thereto or deleted therefrom pursuant to Section 2.09 of the Receivables Transfer Agreement.

" Loss and Dilution Reserve Ratio " shall mean, on any day, the greater of

(a) the sum of (i) 12% plus (ii) the product of (x) the average Dilution Ratio over the immediately preceding fiscal 12-

month period and (y) the Dilution Period; and

(b) the sum of the Loss Reserve Ratio plus the Dilution Reserve Ratio.

" Loss Horizon " shall mean, on any day, the amount obtained by dividing (i) the sum of all Receivables which arose during the two Settlement Periods immediately preceding such day plus 0.50 times the sum of all Receivables which arose during the third Settlement Period immediately preceding such day by (ii) the Net Receivables Balance as of the end of the preceding Settlement Period.

" Loss Reserve Ratio " shall mean, as of any Settlement Date, and continuing until (but not including) the next Settlement Date, an amount (expressed as a percentage) that is calculated as follows:

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$$\text{LRR} = \text{A} \times \text{B} \times \text{C}$$

Where:

LRR	=	Loss Reserve Ratio;
A	=	(i) 2.0 or (ii) following a downgrade of Tyson or any of its rated affiliates below BB+ or Ba1, respectively, by either S&P or Moody's, 2.25;
B	=	the highest three month average Default Ratio that occurred during the twelve most recent Settlement Periods; and
C	=	the Loss Horizon.

" Match Funding CP Conduit Purchaser " shall mean each CP Conduit Purchaser that is identified on Schedule D to the Receivables Transfer Agreement as a Match Funding CP Conduit Purchaser and each CP Conduit Purchaser that, after the Closing Date, notifies the Transferor and the Administrative Agent in accordance with Section 2.03(a) in writing that it is funding its CP Conduit Funded Amount with Commercial Paper issued by it, or for its benefit, in specified CP Tranches selected in accordance with Section 2.03(a) and that, in each case, has not subsequently notified the Transferor and the Administrative Agent in writing that the Transferor will no longer be permitted to select CP Tranches in accordance with Section 2.03(a) in respect of the CP Conduit Funded Amount with respect to such CP Conduit Purchaser.

" Material Adverse Effect " shall mean any event or condition which would have a material adverse effect on

(i) the collectibility of the Receivables,

(ii) the condition (financial or otherwise), businesses or properties of the Transferor or any Seller,

(iii) the ability of the Transferor or any Seller to perform its respective obligations under the Transaction Documents to which it is a party, or

(iv) the interests of the Administrative Agent, the CP Conduit Purchasers, the Funding Agents or the Committed Purchasers under the Transaction Documents;

provided, however, that for purposes of clauses (ii) and (iii) an event or condition will not be deemed to have a Material Adverse Effect unless such event or condition, in the reasonable discretion of the Administrative Agent and the Required Committed Purchasers, is reasonably likely to have a material adverse effect on the condition (financial or otherwise) of Tyson on a consolidated basis or on the Transferor.

" Maximum Percentage Factor " shall mean 100%.

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" Moody's " shall mean Moody's Investors Service, Inc., and its successors and assigns.

" Multiemployer Plan " shall mean a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA which is or was at any time during the current year or the immediately preceding five years contributed to by the Transferor, the Seller or any ERISA Affiliate of the Transferor or the Seller on behalf of its employees.

" Net Investment " shall mean the sum of the cash amounts paid to the Transferor by the CP Conduit Purchasers and/or the Committed Purchasers for all Incremental Transfers minus the aggregate amount of Collections received and applied by the Administrative Agent to reduce such Net Investment pursuant to Section 2.05, 2.06 or 2.10 of the Receivables Transfer Agreement; provided that the Net Investment shall be restored and reinstated in the amount of any Collections so received and applied if, at any time, the distribution of such Collections is rescinded or must otherwise be returned for any reason.

" Net Receivables Balance " shall mean, at any time, the aggregate Outstanding Balance of the Eligible Receivables at such time, as reduced by (without duplication) the aggregate amount for all Designated Obligor by which the Outstanding Balance of all Eligible Receivables of each Designated Obligor exceeds the product of

(a) the Concentration Factor for such Designated Obligor;

multiplied by

(b) the sum of the Outstanding Balance of all Eligible Receivables, plus the amount of any Receivables for which the basis of the aging from the initial due date of payment has been altered.

" Nieuw Amsterdam " shall mean Nieuw Amsterdam Receivables Corporation, a Delaware corporation, and its successors and assigns.

" Obligor " shall mean a Person obligated to make payments for the provision of goods and services pursuant to a Contract.

" Official Body " shall mean any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

" Other Transferor " shall mean any Person, other than the Transferor, that has entered into a receivables purchase agreement, receivables transfer agreement, loan agreement or funding agreement with any CP Conduit Purchaser.

" Outstanding Balance " shall mean, with respect to any Receivable at any time, the then outstanding principal amount thereof, excluding any accrued and outstanding Finance Charges related thereto.

" PARCO " shall mean the Park Avenue Receivables Corporation, a Delaware corporation, and its successors and assigns.

" PARCO Termination Event " shall mean that the providers of PARCO's program liquidity and/or letter of credit facilities shall have given notice that an event of default has occurred and is continuing under their respective agreements with PARCO.

" Participant " shall have the meaning given to such term in Section 10.06(c) of the Receivables Transfer Agreement.

" Partial Liquidation " shall have the meaning specified in Section 2.06(b) of the Receivables Transfer Agreement.

" PASA " shall mean the Packers and Stockyards Act of 1921, as amended, and regulations issued thereunder.

" Percentage Factor " shall mean the fraction (expressed as a percentage) computed on any date of determination as follows:

$$\text{NI} \times 1 + (\text{LDRR} + \text{CCRR}) + (\text{SFRR} \times \text{OBR})$$

()
NRB

Where:

NI	=	the Net Investment on the date of such computation;
LDRR	=	the Loss and Dilution Reserve Ratio on the date of such computation;
CCRR	=	the Carrying Cost Reserve Ratio on the date of such computation;
SFRR	=	the Servicing Fee Reserve Ratio on the date of such computation;
OBR	=	the Outstanding Balance of all Receivables on the date of such computation; and
NRB	=	the Net Receivables Balance on the date of such computation.

The Percentage Factor shall be calculated by the Collection Agent on the day of the initial Incremental Transfer under the Receivables Transfer Agreement. Thereafter, until the Termination Date, the Collection Agent shall recompute the Percentage Factor at the time of each Incremental Purchase pursuant to Section 2.02(a) of the Receivables Transfer Agreement and as of the close of business on each Business Day and report such recomputation to the Administrative Agent in the Settlement Statement and as otherwise requested by any Funding Agent. The Percentage Factor shall remain constant from the time as of which any such computation or recomputations is made until the time as of which the next such recomputations shall be made, notwithstanding any additional Receivables arising, any Incremental Transfer made pursuant to such Section 2.02(a) or any reinvestment Transfer made pursuant to Section 2.02(b) and 2.05 of the Receivables Transfer Agreement during any period between computations of the Percentage Factor. The Percentage Factor shall remain constant at 100% at all times on and after the Termination Date until such time as the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall have received payment in full in cash of the Aggregate Unpaid, at which time the Percentage Factor shall be recomputed in accordance with Section 2.06 of the Receivables Transfer Agreement.

" Permitted Investments " shall mean any of the following

(a) negotiable instruments or securities represented by instruments in bearer or registered or in book-entry form which evidence (i) obligations fully guaranteed by the United States of America; (ii) time deposits in, or bankers acceptances issued by, any depository institution or trust company incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by Federal or state banking or depository institution authorities; provided, however, that at the time of investment or contractual commitment to invest therein, the certificates of deposit or short-term deposits, if any, or long-term unsecured debt obligations (other than such obligation whose rating is based on collateral or on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from Moody's and S&P of at least "P-1" and "A-1", respectively, in the case of the certificates of deposit or short-term deposits, or a rating not lower than one of the two highest investment categories granted by Moody's and by S&P; (iii) certificates of deposit having, at the time of investment or contractual commitment to invest therein, a rating from Moody's and S&P of at least "P-1" and "A-1", respectively; or (iv) investments in money market funds rated in the highest investment category or otherwise approved in writing by the applicable rating agencies;

(b) demand deposits and cash escrows in any depository institution or trust company referred to in (a)(ii) above;

(c) commercial paper (having original or remaining maturities of no more than 30 days) having, at the time of investment or contractual commitment to invest therein, a credit rating from Moody's and S&P of at least "P-1" and "A-1", respectively;

(d) Eurodollar time deposits having a credit rating from Moody's and S&P of at least "P-1" and "A-1", respectively; and

(e) repurchase agreements involving any of the Permitted Investments described in clauses (a)(i), (a)(iii) and (d) of this definition so long as the other party to the repurchase agreement has at the time of investment therein, a rating from Moody's and S&P of at least "P-1" and "A-1", respectively.

" Person " shall mean any corporation, limited liability company, natural person, firm, joint venture, partnership, trust, unincorporated organization, enterprise, government or any department or agency of any government.

" Pooled Funding CP Conduit Purchaser " shall mean each CP Conduit Purchaser that is not a Match Funding CP Conduit Purchaser.

" Potential Termination Event " shall mean an event which but for the lapse of time or the giving of notice, or both, would constitute a Termination Event.

" Proceeds " shall mean "proceeds" as defined in Section 9-102 of the Relevant UCC.

" Program " shall mean the receivables financing facility established by the Receivables Transfer Agreement as provided in Section 2.01 of the Receivables Transfer Agreement.

" Program Fee " shall have the meaning specified in the Fee Letter.

" Program Limit " shall mean, at any time, the sum of the CP Conduit Funding Limits then in effect; provided, that the Program Limit may not at any time exceed 98.04 % of the Aggregate Commitment at any time in effect; provided, further, that from and after the Termination Date, the Program Limit shall at all times equal the Net Investment.

" Program Support Provider " shall mean, with respect to any CP Conduit Purchaser, each Committed Purchaser with respect to such CP Conduit Purchaser and any other additional Person now or hereafter extending credit, or having a commitment to extend credit to or for the account of, or to make purchases from, such CP Conduit Purchaser or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such CP Conduit Purchaser's securitization program.

" Purchase " shall mean any assignment by a CP Conduit Purchaser to the Committed Purchaser(s) or Liquidity Provider(s), as the case may be, in its Related Group of all or any portion of the CP Conduit Purchaser's Interest pursuant to the relevant Asset Purchase Agreement.

" Purchase Date " shall mean the date specified by a CP Conduit Purchaser in a Sale Notice as being the effective date of the CP Conduit Purchaser's assignment to the Committed Purchaser(s) or Liquidity Provider(s), as the case may be, in its Related Group of all or any portion of the CP Conduit Purchaser's Interest specified therein.

" Purchased Receivables Percentage " shall mean, with respect to any Seller (or Seller Division) as to which Tyson has submitted a Seller Termination Request, the percentage equivalent of a fraction, the numerator of which is an amount equal to the aggregate Outstanding Balance of Receivables sold by such Seller (or Seller Division) as of the applicable Seller Termination Request Date, and the denominator of which is an amount equal to the aggregate Outstanding Balance of all Receivables as of such date.

" Purchase Price ", as used in the Receivables Purchase Agreement, shall have, the meaning set forth in Section 3.01 of the Receivables Purchase Agreement.

" Purchaser " shall have the meaning specified in Section 10.06(d)(i) of the Receivables Transfer Agreement.

" Purchase Termination Date " shall have the meaning specified in Section 8.01 of the Receivables Purchase Agreement.

" Rabobank " shall mean Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International", New York Branch, in its individual capacity, and its successors.

" Rabobank Roles " shall have the meaning specified in Section 10.12(b) of the Receivables Transfer Agreement.

" Rating Agencies " shall mean on any date of determination the rating agencies then rating the Commercial Paper at the request of any CP Conduit Purchaser.

" Rating Confirmation " shall mean, with respect to any CP Conduit Purchaser and any material amendment, modification, waiver or other action to be taken pursuant to the terms of the Transaction Documents, a confirmation by each of the Rating Agencies that such proposed amendment, modification, waiver or action shall not result in a downgrade or withdrawal of such Rating Agency's then current rating of the Commercial Paper.

" Receivable " shall mean the United States dollar-denominated indebtedness owed to the Seller by an Obligor under a Contract and rights of payment and other payment obligations (whether or not earned by performance), whether constituting an account, chattel paper, instrument, investment property or general intangible, arising in connection with property or goods that have been or are to be sold, leased or otherwise disposed of, or services rendered or to be rendered, by the originator, in each case in its ordinary course of business and includes the right to payment of any Finance Charges and other obligations of such Obligor with respect thereto. Notwithstanding the foregoing, once a Receivable has been deemed collected pursuant to Section 2.10 of the Receivables Transfer Agreement, it shall no longer constitute a Receivable under the Receivables Transfer Agreement.

" Receivables Purchase Agreement " shall mean the Receivables Purchase Agreement, dated as of October 17, 2001, by and between the Sellers, as sellers, and the Transferor, as purchaser, as such agreement may be amended, supplemented or otherwise modified and in effect from time to time.

" Receivables Transfer Agreement " shall mean the Receivables Transfer Agreement, dated as of October 17, 2001, by and between the Transferor, Tyson, individually, as Collection Agent and as Guarantor, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent, as such agreement may be amended, supplemented or otherwise modified and in effect from time to time.

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" Recipient " shall have the meaning specified in Section 2.15 of the Receivables Transfer Agreement.

" Records " shall mean all Contracts and other documents, books, records and other writings and information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related property and rights) maintained with respect to Receivables and the related Obligors.

" Reduction Notice " shall mean an irrevocable notice of a reduction in the Net Investment pursuant to Section 2.06(e) of the Receivables Transfer Agreement, executed by the Transferor, substantially in the form of Exhibit L to the Receivables Transfer Agreement.

" Related Group " shall mean, with respect to each CP Conduit Purchaser, (i) such CP Conduit Purchaser, the related Committed Purchaser(s) specified in Schedule B and their respective successors and assigns, (ii) the related Funding Agent specified in Schedule B and any successors or permitted assigns and, if applicable, (iii) the related Liquidity Provider, specified in a liquidity agreement among the CP Conduit Purchaser, the related Funding Agent, the related Liquidity Provider and the related Committed Purchaser, and any successors or permitted assigns.

" Related Security " shall mean, with respect to any Receivable, all of the Seller's or Transferor's right, title and interest in, to and under:

(a) the merchandise (including returned or repossessed merchandise), if any, the sale of which by the Seller gave rise to such Receivable;

(b) all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements signed by an Obligor describing any collateral securing such Receivable;

(c) all guarantees, indemnities, warranties, insurance (and proceeds thereof) or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise;

(d) all Records related to such Receivable;

(e) in the case of the Administrative Agent for the benefit of the CP Conduit Purchasers and the Committed Purchasers, all rights and remedies of the Transferor under the Receivables Purchase Agreement, together with all financing statements naming any Seller as debtor or seller and the Transferor as secured party or buyer filed in connection therewith; and

(f) all Proceeds of any of the foregoing.

" Relevant UCC " shall mean, with respect to any state, the Uniform Commercial Code as from time to time in effect in such state.

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" Required Committed Purchasers " shall mean Committed Purchasers having Commitment Pro Rata Shares in the aggregate equal to more than 66-2/3% or, if the Commitments have been terminated, having more than 66-2/3% of the Net Investment; provided that the Commitment of any defaulting Committed Purchaser that has not paid all amounts due and owing by it in respect of Purchases it was obliged to make shall not be included in the Commitments for purposes of this definition.

" Responsible Officer " shall mean with respect to Tyson, any Seller or the Transferor, any officer directly or indirectly responsible for the execution of the transactions contemplated by the Transaction Documents.

" Sale Notice " shall mean an irrevocable written notice given by an authorized signer or authorized officer of a CP Conduit Purchaser (or on behalf of the CP Conduit Purchaser by the Funding Agent with respect to such CP Conduit Purchaser) to the Committed Purchaser(s) or Liquidity Provider(s), as the case may be, in its Related Group committing to sell, assign and transfer to such Committed Purchaser(s) or Liquidity Provider(s), the CP Conduit Purchaser's Interest, which notice shall designate (a) the applicable Purchase Date, (b) the CP Conduit Purchaser's Interest and the Net Investment, (c) the Purchase Price (including a calculation of the Purchase Price) and (d) that no CP Conduit Purchaser's Insolvency Event has occurred.

" Seller Addition Date " shall have the meaning specified in Section 7.02 of the Receivables Purchase Agreement.

" Seller Division " shall mean any business unit or operating assets acquired by a Seller which is made part of an existing division of a Seller or made a new division (but not a subsidiary) of a Seller.

" Seller Termination Request " shall have the meaning specified in Section 8.03(b) of the Receivables Purchase Agreement.

" Seller Termination Request Date " shall have the meaning specified in Section 8.03(b) of the Receivables Purchase Agreement.

" Sellers " shall have the meaning specified in the recitals to the Receivables Purchase Agreement.

" Servicing Fee " shall mean the fees payable by the Transferor to the Collection Agent in an amount equal to the Servicing Fee Percentage multiplied by the amount of the aggregate Outstanding Balance of the Receivables, or such other amount as may be determined pursuant to Section 6.02(b) of the Receivables Transfer Agreement. Such fee shall accrue from the date of the initial purchase of an interest by a CP Conduit Purchaser in the Receivables to the later of the Termination Date or the date on which the Percentage Factor is reduced to zero. On or prior to the Termination Date, such fee shall be payable only from Collections pursuant to, and subject to the priority of payments set forth in, Section 2.05 of the Receivables Transfer Agreement. After the Termination Date, such fee shall be payable only from Collections pursuant to, and subject to the priority of payments set forth in, Section 2.06 of the Receivables Transfer Agreement.

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" Servicing Fee Percentage " shall mean 1.0% per annum.

" Servicing Fee Reserve Ratio " shall mean, at any time, an amount equal to the product of (i) the Servicing Fee Percentage and (ii) a fraction having as the numerator, the product of (a) 2 and (b) the DSO, and as the denominator, 360.

" Settlement Date " shall mean the second Business Day following the related Settlement Statement Date.

" Settlement Period " shall mean the period of days from and including the first day of a fiscal month of Tyson to and including the last day of such fiscal month.

" Settlement Statement " shall mean a report, in substantially the form attached to the Receivables Transfer Agreement as Exhibit D-2 or in such other form as is mutually agreed to by the Transferor and each Funding Agent, delivered by the Collection Agent to the Administrative Agent on each Settlement Date pursuant to Section 2.12 of the Receivables Transfer Agreement or prior to an Incremental Transfer pursuant to Section 2.02(a) of the Receivables Transfer Agreement.

" Settlement Statement Date " shall mean the 15th day of a calendar month, or if that day is not a Business Day, the next following Business Day.

" Solvent " shall mean, with respect to any Person, that the fair value of the assets of such Person (both at fair valuation and at present fair saleable value) is, on the date of determination, greater than the total amount of liabilities (including contingent and unliquidated liabilities) of such Person as of such date and that, as of such date, such Person is able to pay all liabilities of such Person as such liabilities mature and such Person does not have unreasonably small capital with which to carry on its business. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

" Special Obligors " are Obligors designated by the Administrative Agent and the Required Committed Purchasers (in their sole discretion upon Tyson's request) and approved by the Rating Agencies which will each be permitted to exceed the Concentration Factor. The names of the Special Obligors and the percentages applicable to each of the Special Obligors will be specified on Schedule C to the Receivables Transfer Agreement, as such Schedule may be amended or modified by the Funding Agents and approved by the Rating Agencies from time to time to add or delete Obligors or to change the percentages applicable to Special Obligors. The initial Special Obligors and the applicable percentages will be specified on Schedule C as of the Closing Date. At such time as the requirements in Schedule C are not met by any Obligor, the Concentration Factor for such Obligor will be calculated as specified in the definition of Concentration Factor.

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" Specified Bankruptcy Opinion Provisions " shall mean the factual assumptions (including those contained in the factual certificate referred to therein) and the actions to be taken by the Sellers or the Transferor, in each case as specified in the legal opinion of Kutak Rock L.L.P. relating to certain bankruptcy matters delivered on the Closing Date.

" Standard & Poor's " or " S&P " shall mean Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

" Subordinated Note " shall have the meaning specified in Section 3.02(b) of the Receivables Purchase Agreement.

" Subsidiary " of a Person shall mean any Person more than 50% of the outstanding voting interests of which shall at any time be owned or controlled, directly or indirectly, by such Person or by one or more Subsidiaries of such Person or any similar business organization which is so owned or controlled.

" SunTrust " shall mean SunTrust Bank, in its individual capacity, and its successors.

" SunTrust Roles " shall have the meaning specified in Section 10.12(c) of the Receivables Transfer Agreement.

" Termination Date " shall mean with respect to each CP Conduit Purchaser and Committed Purchaser the earliest of (i) the Business Day designated by the Transferor to the CP Conduit Purchasers and Committed Purchasers as the Termination Date for the Aggregate Commitment at any time following fifteen (15) Business Days' written notice to the CP Conduit Purchasers and the Committed Purchasers, (ii) the day upon which a Termination Date is declared or automatically occurs relating to a Termination Event pursuant to Section 7.02(a) of the Receivables Transfer Agreement, (iii) two (2) Business Days prior to the latest Commitment Expiry Date, (iv) the Purchase Termination Date with respect to all the Sellers under the Receivables Purchase Agreement, (v) the earliest date on which all amounts due and owing to the CP Conduit Purchasers and the Committed Purchasers under the Receivables Transfer Agreement and the other Transaction Documents have been paid in full, and the Aggregate Commitment has been reduced to zero pursuant to the Receivables Transfer Agreement.

" Termination Event " shall mean an event described in Section 7.01(1) of the Receivables Transfer Agreement.

" Three Pillars " shall mean Three Pillars Funding Corporation, a Delaware corporation, and its successors and assigns.

" 364-Day Credit Agreement " shall mean that certain 364-Day Credit Agreement, dated as of June 12, 2002, by and among Tyson,

certain subsidiaries of Tyson, JPMCB, as administrative agent, J.P. Morgan Securities Inc., as arranger and the various lending institutions party thereto, as amended, supplemented or otherwise modified or replaced or refinanced and in effect from time to time.

" Tranche " shall mean a portion of the Net Investment allocated to a Tranche Period pursuant to Section 2.03 of the Receivables Transfer Agreement.

" Tranche Period " shall mean a CP Tranche Period, a BR Tranche Period or a Eurodollar Tranche Period, as applicable.

" Tranche Rate " shall mean the CP Rate, the Base Rate or the Eurodollar Rate, as applicable, plus, in the case of the Base Rate or the Eurodollar Rate, the Applicable Margin.

" Transaction Documents " shall mean, collectively, the Receivables Transfer Agreement, the Receivables Purchase Agreement, the Asset Purchase Agreements, the Fee Letter, the Lockbox Agreements, the Subordinated Note and all of the other instruments, documents, certificates and other agreements executed and delivered by the Sellers or the Transferor in connection with any of the foregoing, in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" Transfer " shall mean a conveyance, transfer and assignment by the Transferor to the CP Conduit Purchasers or the Committed Purchasers of an undivided percentage ownership interest in Receivables and Related Security pursuant to, and in accordance with, the Receivables Transfer Agreement (including, without limitation, as a result of any reinvestment of Collections in Transferred Interests pursuant to Section 2.02(b) and 2.05 of the Receivables Transfer Agreement).

" Transfer Certificate " shall have the meaning specified in Section 2.02(a) of the Receivables Transfer Agreement.

" Transfer Date " shall mean, with respect to each Transfer, the Business Day on which such Transfer is made.

" Transfer Price " shall mean, with respect to any Incremental Transfer, the amount paid to the Transferor by the CP Conduit Purchasers or the Committed Purchasers, as applicable, as described in the applicable Transfer Certificate. The Transfer Price for any Incremental Transfer shall be equal to the aggregate Net Investment (including such Incremental Transfer) minus the aggregate portion of the Net Investment paid in connection with all prior Transfers.

" Transferor " shall mean Tyson Receivables Corporation, a Delaware corporation, and its successors and permitted assigns.

" Transferred Interest " shall mean, on any date of determination, an undivided percentage ownership interest of the CP Conduit Purchasers and/or the Committed Purchasers, as applicable, in (i) each and every then outstanding Receivable, (ii) all Related Security with respect to each such Receivable, (iii) all Collections with respect thereto, and (iv) other Proceeds of the foregoing, which undivided ownership interest shall be equal to the Percentage Factor at such time, and only at such time (without regard to prior calculations). The Transferred Interest in each Receivable, together with Related Security, Collections and Proceeds with respect thereto, shall at all times be equal to the Transferred Interest in each other Receivable, together with Related Security, Collections and Proceeds with respect thereto. To the extent that the Transferred Interest shall decrease as a result of a recalculation of the Percentage Factor, the CP Conduit Purchasers and/or the Committed Purchasers, as applicable, shall be considered to have reconveyed to the Transferor an undivided percentage ownership interest in each Receivable, together with Related Security, Collections and Proceeds with respect thereto, in an amount equal to such decrease such that, in each case, the Transferred Interest in each Receivable shall be equal to the Transferred Interest in each other Receivable.

" Transfer Supplement " shall have the meaning specified in Section 10.06(d)(i) of the Receivables Transfer Agreement.

" Transfer/Tranche Period Request " shall mean an irrevocable request for an Incremental Transfer or a Tranche Period, executed by the Transferor, substantially in the form of Exhibit K to the Receivables Transfer Agreement.

" Tyson " shall mean Tyson Foods, Inc., a Delaware corporation.

" U.S. " or " United States " shall mean the United States of America and its territories.

" Weekly Report " shall have the meaning specified in Section 2.12(a) of the Receivables Transfer Agreement.

" Weekly Settlement Date " shall mean each Friday, or if Friday is not a Business Day, the next Business Day.

SCHEDULE B

Schedule of CP Conduit Purchasers, Committed Purchasers,

Funding Agents, Commitments, and CP Conduit Funding Limits

CP CONDUIT PURCHASERS:	Facility A	Facility B
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Park Avenue Receivables Corporation
114 West 47th Street, Suite 1715
New York, NY 10036

<u>CP Conduit Funding Limit</u> :	\$125,000,000	\$125,000,000
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Three Pillars Funding Corporation
c/o AMACAR Group LLC
6525 Morrison Boulevard
Suite 318
Charlotte, NC 28211

<u>CP Conduit Funding Limit</u> :	\$125,000,000	\$125,000,000
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Nieuw Amsterdam Receivables Corporation
c/o Rabobank International
245 Park Avenue
New York, New York 10167

<u>CP Conduit Funding Limit</u> :	\$125,000,000	\$125,000,000
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COMMITTED PURCHASERS :

JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Committed Purchaser for Park Avenue Receivables Corporation
450 West 33rd Street, 15th Floor
New York, NY 10011

<u>Commitment</u> :	\$127,500,000	\$127,500,000
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SunTrust Bank, as Committed Purchaser for Three Pillars Funding Corporation
303 Peachtree Street NE
3rd Floor, MC 1904
Atlanta, GA 30308

<u>Commitment</u> :	\$127,500,000	\$127,500,000
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Nieuw Amsterdam Receivables Corporation, as Committed Purchaser for Nieuw Amsterdam
 c/o Rabobank International
 Funding Corporation
 245 Park Avenue
 New York, New York 10167

Commitment :	\$127,500,000	\$127,500,000
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FUNDING AGENTS:

Funding Agent for Park Avenue Receivables Corporation:
 JPMorgan Chase Bank
 (formerly known as The Chase Manhattan Bank)
 450 West 33 Street
 15th Floor
 New York, NY 10011

Funding Agent for Three Pillars Funding Corporation
 SunTrust Robinson Humphrey Capital Markets
 303 Peachtree Street
 24th Floor, MC 3950
 Atlanta, GA 30308

Funding Agent for Nieuw Amsterdam Receivables Corporation
 Rabobank International
 245 Park Avenue
 New York, New York 10167

SCHEDULE C

Schedule of Special Obligors

Special Obligor	Percentage Limit	Conditions
Wal-Mart Stores, Inc. (" <u>Wal-Mart</u> "), and its Affiliates	15%	So long as Wal-Mart's short-term and long-term ratings are at least A-1/A by S&P and at least P-1/A2 by Moody's, respectively and no more than 10% of its Receivables are Delinquent Receivables

SCHEDULE D

Schedule of Match Funding CP Conduit Purchasers

Three Pillars Funding Corporation,
administered by SunTrust Robinson Humphrey Capital Markets

EXHIBIT A

[CREDIT AND COLLECTION POLICIES AND PRACTICES]

EXHIBIT B

List of Lockbox Banks and Accounts

- 1) Bank Name:
Location of Lockbox:
Account No.:
Lockbox No.:

- 2) Bank Name:
Location of lockbox:
Account No.:
Lockbox No.:

[FORM OF] TYSON LOCKBOX AGREEMENT
[NAME OF LOCKBOX BANK]/[NAME OF ACCOUNT HOLDER]

October [], 2001

[Name of Lockbox Bank]
 [Address]
 [City, State ZIP]
 Attention:

Ladies and Gentlemen:

1. Introductory. Tyson Receivables Corporation, a Delaware corporation (the "Purchaser"), has agreed to purchase certain receivables (the "Receivables") pursuant to the Receivables Purchase Agreement dated as of October 17, 2001 (as amended, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement"), among the Purchaser, Tyson Foods, Inc. ("Tyson"), and the Sellers identified therein (the "Sellers"). The Purchaser has in turn transferred the Receivables to certain CP Conduit Purchasers and Committed Purchasers and their respective successors and assigns, pursuant to the Receivables Transfer Agreement dated as of October 17, 2001 (as amended, supplemented or otherwise modified from time to time, the "Receivables Transfer Agreement"), among the Purchaser (in such capacity, the "Transferor"), Tyson, as Collection Agent (in such capacity, the "Collection Agent") and as Guarantor, the CP Conduit Purchasers, the Committed Purchasers, the financial institutions parties thereto as Funding Agents and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), a New York banking corporation, as Administrative Agent (the "Administrative Agent"). [Name of Lockbox Bank] is referred to in this Agreement as the "Lockbox Bank". [Name of Account Holder], as holder of the Lockbox Accounts and the Lockboxes, is referred to herein as the "Account Holder". Tyson, in its capacities as Transferor, Collection Agent and Guarantor, and any Agent Seller, the Sellers and the Account Holder, are referred to collectively herein as the "Tyson Parties". This Agreement will become effective on the Closing Date (as defined in the Receivables Transfer Agreement). The Transferor will notify the Deposit Account Bank when the Closing Date occurs.

2. Supplemental to Account Documentation. This Agreement supplements, rather than replaces, the Lockbox Bank's deposit account agreement, terms and conditions and other standard documentation in effect from time to time with respect to the Lockbox Account or services provided in connection with the Account (the "Account Documentation"), the current version of which is attached hereto as Annex 4, which Account Documentation will continue to apply to the Lockbox Account and such services, and the respective rights, powers, duties, obligations, liabilities and responsibilities of the parties thereto and hereto, to the extent not expressly conflicting with the provisions of this Agreement (however, in the event of any such conflict, the provisions of this Agreement will control). The Transferor agrees to assume all obligations and liabilities associated with the Lockboxes and Lockbox Accounts as specified in the Account Documentation.

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3. Deposits to and Pledge of Lockbox Accounts. Pursuant to the terms of the Receivables Transfer Agreement and except as otherwise provided therein,

(i) the Collection Agent has agreed to instruct, and to cause the Sellers to instruct, all obligors under the Receivables to make all payments in respect of such Receivables either to lockbox(es) for further credit to a blocked deposit account or directly to a blocked deposit account designated by the Collection Agent or the Sellers to such obligor; and

(ii) the Transferor and/or the Account Holder has pledged, assigned and transferred to the Administrative Agent, and has created and granted to the Administrative Agent a security interest in, the Lockbox Accounts (as defined herein) and all cash, checks and other negotiable instruments, funds and other evidences of payment held therein ("Deposited Funds").

Furthermore, the Tyson Parties and the Administrative Agent have agreed, pursuant to the Receivables Transfer Agreement, to enter into an agreement with each bank maintaining a Lockbox Account and hereby request that the Lockbox Bank act as, and the Lockbox Bank agrees to act as, a lockbox deposit bank for the Transferor and the Account Holder with respect to the Lockbox Accounts. This Agreement defines certain rights and obligations with respect to the appointment of the Lockbox Bank.

4. Lockboxes and Lockbox Accounts. Reference is made to lockbox account(s) (collectively or individually, as the context may require, the "Lockbox Accounts") and corresponding lockbox(es) (collectively or individually, as the context may require, the "Lockboxes") referred to in Annex 2 maintained with the Lockbox Bank by the Account Holder. The Account Holder hereby transfers the Lockbox Accounts to the Transferor and hereafter the Lockbox Accounts will be in the name of the Transferor for the benefit of JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank) as Administrative Agent. All Deposited Funds received by the Lockbox Bank in its capacity as the

Lockbox Bank will be deposited in the applicable Lockbox Account. The Lockbox Bank acknowledges the security interest of the Administrative Agent in the Lockbox Accounts and all Deposited Funds. All Deposited Funds at any time on deposit in the Lockbox Accounts will be held by the Lockbox Bank for application strictly in accordance with the terms of this Agreement. The Lockbox Bank agrees to give the Transferor, the Collection Agent and the Administrative Agent prompt notice if any Lockbox Account will become subject to any writ, judgment, warrant of attachment, execution or similar process.

5. Transferor Control Before Effective Time. Until the Effective Time (as defined below), the Transferor will be entitled to request the transfer of available Deposited Funds from the Lockbox Accounts in accordance with the Lockbox Bank's customary procedures; provided, however, the Transferor will not be entitled to direct the Lockbox Bank to close the Lockbox Account without the prior written consent of the Administrative Agent. At and after the Effective Time, (i) the Administrative Agent will have exclusive rights with respect to the transfer, withdrawal or other disposition of Deposited Funds (subject to the Lockbox Bank's customary availability schedules) from the Lockbox Accounts and as to any other matters relating to the Lockbox Account or the Deposited Funds, (ii) the Lockbox Bank will comply with the Administrative Agent's instructions with respect thereto in accordance with the Lockbox Bank's customary procedures and the terms of this Agreement, without further consent or direction from any Tyson Party or any other person, (iii) the Lockbox Bank will disregard any instructions of any Tyson Party with respect thereto and (iv) the Lockbox Bank will furnish the Administrative Agent (with copies to the Transferor) with statements, in the form and manner typical for the Lockbox Bank, of deposits and transfers to, balances of, and withdrawals and transfers from, the Lockbox Accounts pursuant to any reasonable request of the Administrative Agent but in any event not less frequently than monthly and such other information relating to the Lockbox Accounts at such times as will be reasonably requested by the Administrative Agent. The Lockbox Bank acknowledges that, until the Effective Time, the Lockbox Bank will return to the Transferor, upon the Transferor's reasonable request therefor, any remittance advisements and payment invoices deposited into the Lockbox Accounts.

6. Effective Time. For the purposes hereof, the "Effective Time" will be a time as soon as practicable after delivery of a notice purporting to be signed by the Administrative Agent in substantially the same form as Annex 3 with a copy of this Agreement attached thereto pursuant to paragraph 14; provided, however, that (i) if any such notice is so delivered at or before 12:00 noon, New York City time, on any business day, the "Effective Time" will be not later than the opening of business on the second business day following the business day of such delivery, (ii) if any such notice is so delivered after 12:00 noon, New York City time, on any business day, the "Effective Time" will be not later than the opening of business on the third business day following the business day of such delivery, and (iii), a "business day" is any day other than a Saturday, Sunday or other day on which the Lockbox Bank is or is authorized or required by law to be closed.

7. Copies of Instructions. The Administrative Agent will send to the Transferor and the Collection Agent a copy of any written instructions given to the Lockbox Bank pursuant to paragraph 6, but the failure of the Administrative Agent to do so will not affect the validity of such instructions given to the Lockbox Bank.

8. Delivery of Reports and Statements. The Lockbox Bank is authorized to supply the Administrative Agent on the Administrative Agent's request with copies of all written agreements, balances, written notices, information and procedures related to the Lockboxes and Lockbox Accounts in effect from time to time; provided, however, the Lockbox Bank will have no liability for its failure or delay in providing any such written agreements, balances, written notices, information and procedures. The Lockbox Bank has no responsibility to provide the Administrative Agent or any Tyson Party any internal communications (whether written, oral, or computer generated) by, between, or among its employees and agents related to the Lockboxes and/or Lockbox Accounts, and such internal communications will not be considered information related to the Lockboxes and/or Lockbox Accounts or notice regarding the Lockboxes and/or Lockbox Accounts.

9. Chargebacks and Expense. The Lockbox Bank may debit the applicable Lockbox Account for any items (including without limitation, any automated clearinghouse items and wire transfers) deposited or credited to such Lockbox Account which may be returned, reversed, cancelled or stopped, resulting in an erroneous credit to or an overdraft in the Lockbox Account (the "Chargebacks") and for all ordinary and reasonable service charges and fees (the "Expenses") charged by the Lockbox Bank in providing customary services in connection with this Agreement that are not timely paid by the Transferor or the Collection Agent in accordance with the terms hereof. The Lockbox Bank may charge the applicable Lockbox Account as permitted herein at such times as are in accordance with the Lockbox Bank's customary practices for the Chargebacks and Expenses. If the Lockbox Account is closed or if the Lockbox Bank is unable to obtain sufficient funds from such charges to cover any Chargebacks or Expenses, the Transferor and the Collection Agent, jointly and severally, will indemnify the Lockbox Bank for all Chargebacks and Expenses. The Administrative Agent will reimburse the Lockbox Bank for any Chargebacks incurred after the Effective Time.

10. Authorized Officers of Administration Agent. For purposes of this Agreement, any officer of the Administrative Agent will be authorized to act, and to give instructions and notices, on behalf of the Administrative Agent hereunder. The Lockbox Bank may rely upon any instructions from any person that the Lockbox Bank reasonably believes to be an authorized representative of the Administrative Agent.

11. Power of Attorney. Each of the Tyson Parties hereby grants to the Lockbox Bank and its successors and assigns an irrevocable power of attorney, coupled with an interest, to endorse all checks, drafts, remittances and receipts of every kind and nature (collectively " Items ") deposited in the Lockbox Accounts. The parties hereto request that the Lockbox Bank endorse and deposit such Items in accordance with the operating procedures currently in place for the Lockbox Accounts. Each of the Tyson Parties agrees that such endorsement(s) will constitute its proper endorsement(s). The Lockbox Bank does not warrant any such endorsement(s).

12. Representations and Warranties of the Lockbox Bank. The Lockbox Bank represents and warrants that (a) it is a [national banking association] [state-chartered bank] duly organized, validly existing and in good standing under the laws of [the United States] [State of _____] and has full corporate power and authority under such laws to execute, deliver and perform its obligations under this Agreement and (b) the execution, delivery and performance of this Agreement by the Lockbox Bank have been duly and effectively authorized by all necessary corporate action and this Agreement has been duly executed and delivered by the Lockbox Bank and constitutes a valid and binding obligation of the Lockbox Bank enforceable in accordance with its terms.

13. Termination of this Agreement. The Lockbox Bank may terminate this Agreement at any time by delivery to the Administrative Agent and the Transferor of written notice thereof not less than 60 days before the effective date of such termination. The Transferor may, with the prior written consent of the Administrative Agent, terminate this Agreement upon 60 days' prior written notice to the Lockbox Bank and the Administrative Agent. If there has been a failure by the Lockbox Bank to perform any of its material obligations hereunder and such failure could in the reasonable judgment of the Administrative Agent adversely affect the Administrative Agent's interest in any Receivable or the Administrative Agent's rights, or ability to exercise any remedies, under this Agreement or the Receivables Transfer Agreement, the Administrative Agent may close any Lockbox Account at any time by delivery of notice to the Lockbox Bank and the Transferor at the addresses appearing below. This Agreement will terminate upon the effectiveness of such termination, or upon receipt of such notice of closing, except that, at the request of the Administrative Agent, for a period of 60 days after such closing or termination, the Lockbox Bank will immediately transfer to any account or address designated by the Administrative Agent all available Deposited Funds in the Lockbox Accounts, and any remittance advisements or payment invoices or other deposits to or otherwise to the credit of the Lockbox Account and deliver any available Deposited Funds or such remittance advisements or payment invoices relating to the Receivables received by the Lockbox Bank after such closing or termination directly to any account designated by the Administrative Agent. The obligations of the Transferor and the Collection Agent under this Agreement to indemnify, hold harmless and pay amounts owed will survive termination of this Agreement. The Administrative Agent's obligations under this Agreement to reimburse the Lockbox Bank for Chargebacks will survive termination of this Agreement.

14. Notices. All notices and communications hereunder will be in writing and will be deemed to have been received and will be effective on the day on which delivered (including delivery by telecopy) to the applicable party at the address set forth in Annex 1 or Annex 2, as applicable, or to such other address of which it notifies the other parties in writing from time to time. The Lockbox Bank will promptly notify the other parties hereto of any change to its address for notices with respect to the Lockbox Account. Notice by the Administration Agent to any person at any address for notices designated by the Lockbox Bank pursuant to this paragraph will be deemed to be effective so long as the Lockbox Bank will not have previously notified the Administrative Agent of another person, address or telecopy number.

15. Indemnity. The Transferor and Collection Agent will jointly and severally indemnify the Lockbox Bank for, and hold the Lockbox Bank harmless from, all claims, demands, losses, liabilities and expenses, including reasonable legal fees and expenses, resulting from or with respect to this Agreement, the Receivables, the Lockbox Accounts, the Lockboxes and the services provided hereunder, except to the extent of the Lockbox Bank's gross negligence or wilful misconduct.

16. Amendments; Waiver of Setoff; No Other Agreements. This Agreement may be amended only by a written instrument executed by the Transferor, the Collection Agent, the Account Holder, the Administrative Agent and the Lockbox Bank, acting by their representative officers thereunto duly authorized. Except for its right to charge the Lockbox Accounts for Chargebacks and Expenses in accordance with this Agreement, the Lockbox Bank unconditionally and irrevocably waives (so long as this Agreement is in effect) any rights of setoff or banker's lien against, or rights to otherwise deduct from, any Deposited Funds held in any Lockbox Account for any indebtedness or other claim owed by the Transferor or any other Tyson Party to the Lockbox Bank. The Lockbox Bank will not enter into any other agreement with any other person by which the Lockbox Bank would be obligated to comply with the instructions of such other person as to the disposition of the Deposited Funds or other dealings with the Lockbox Account.

17. Standard of Care; Limitation on Damages. Notwithstanding any provision of this Agreement, the Lockbox Bank will be liable only for direct damage if the Lockbox Bank fails to exercise ordinary care. The Lockbox Bank will be deemed to have exercised ordinary care if the Lockbox Bank's action or failure to act is in conformity with general banking usages or is otherwise a commercially reasonable practice of the banking industry. In no event will the Lockbox Bank be liable for any special, indirect or consequential damages, even if the Lockbox

18. Lockbox Bank Disclaimers. (a) Except as otherwise specified herein, the Lockbox Bank will not be deemed to have any knowledge (imputed or otherwise) of: (i) any of the terms or conditions of the Receivables Purchase Agreement or the Receivables Transfer Agreement or any document referred to or contemplated therein or relating to any financing arrangement of the Tyson Parties, or any breach thereof, or (ii) any occurrence or existence of a default. The Lockbox Bank will have no obligation to inform any person of such breach or default or to take any action in connection with any of the foregoing, except such actions regarding the Lockbox Accounts as are specified in this Agreement.

(b) The Lockbox Bank is not responsible for the enforceability or validity of the security interest in the Receivables, the Lockboxes and the Lockbox Accounts.

(c) Notwithstanding any provision of this Agreement, the Lockbox Bank will not be liable for any failure, inability to perform, or delay in performance hereunder, if such failure, inability, or delay is due to acts of God, war, civil commotion, governmental action, fire, explosion, strikes, other industrial disturbances, equipment malfunction, action, non-action or delayed action on the part of the Transferor, the Agent Sellers or the Administrative Agent or any other entity or any other causes that are beyond the Lockbox Bank's reasonable control.

(d) Nothing in this Agreement or any course of dealing among the Lockbox Bank and any Tyson Party or the Administrative Agent obligates the Lockbox Bank to extend any overdraft or other credit to any Tyson Party or the Administrative Agent.

(e) Notwithstanding any provision of this Agreement, the Lockbox Bank will have only the duties and responsibilities with respect to the matters set forth herein as are expressly set forth in writing herein and will not be deemed to be an agent, bailee or fiduciary for any party hereto).

19. Successors and Assigns. This Agreement will inure to the benefit of, and be binding upon, the Transferor, the Collection Agent, the Account Holder, the Administrative Agent, the Lockbox Bank and their respective successors and assigns. Notwithstanding the foregoing, the Lockbox Bank will not assign or transfer any of its rights or obligations hereunder (other than to the Administrative Agent) without the prior written consent of the Administrative Agent except the Lockbox Bank may freely assign this Agreement to any successor by merger of the Lockbox Bank or to any entity that is directly or indirectly (i) in control of the Lockbox Bank, (ii) under the control of the Lockbox Bank or (iii) under common control with the Lockbox Bank.

20. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission will be effective as delivery of a manually executed counterpart of this Agreement.

21. Waiver of Jury Trial. The parties unconditionally and irrevocably waive any right to trial by jury in any legal proceeding relating to any dispute arising under this Agreement.

22. Governing Law. **THIS AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. TO THE EXTENT APPLICABLE UNDER THE UNIFORM COMMERCIAL CODE OF ANY JURISDICTION, THIS AGREEMENT GIVES CONTROL OVER THE LOCKBOX ACCOUNTS TO THE ADMINISTRATIVE AGENT.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

Very truly yours,

TYSON RECEIVABLES CORPORATION, as
Transferor

By: _____
Name:
Title:

TYSON FOODS, INC., as Collection Agent

By: _____
Name:
Title:

JPMORGAN CHASE BANK (formerly known as
The Chase Manhattan Bank), as Administrative
Agent

By: _____
Name:
Title:

Agreed and accepted

[NAME OF LOCKBOX BANK], as Lockbox Bank

By: _____
Name:
Title:

[NAME OF ACCOUNT HOLDER], as Account
Holder

By: _____
Name:
Title:

Tyson Receivables Corporation
c/o Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: Treasurer
Telecopy: 501-290-4061

with a copy to:
Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telecopy: 501-290-7967

Collection Agent

Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: Treasurer
Telecopy: 501-290-4061

with a copy to:
Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telecopy: 501-290-7967

Administrative Agent

JPMorgan Chase Bank
450 West 33rd Street, 15th Floor
New York, NY 10001
Attention: Conduit Administration
Telecopy: (212) 946-8098

**LOCKBOX ACCOUNTS AND LOCKBOXES
ADDRESSES FOR NOTICES OF LOCKBOX BANK AND ACCOUNT HOLDER**

Lockbox Accounts	Lockboxes
------------------	-----------

Lockbox Bank

[Name of Lockbox Bank]
[Address]
[City, State ZIP]
Attention:
Telecopy:

Account Holder

[Name of Seller]
c/o Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: Treasurer
Telecopy: 501-290-4061

with a copy to:
Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telecopy: 501-290-7967

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ANNEX 3

**TYSON LOCKBOX AGREEMENT
[NAME OF LOCKBOX BANK]
[FORM OF] SHIFTING CONTROL NOTICE**

[Date]

[Name of Lockbox Bank]
[Address]
[City, State ZIP]
Attention:

Re: Lockbox Agreement dated as of _____, 200____
(the "Agreement") by and among _____,
and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank),
as Administrative Agent

Ladies and Gentlemen:

This constitutes a Shifting Control Notice as referred to in the Agreement, a copy of which is attached hereto.

**JPMORGAN CHASE BANK (formerly known as
The Chase Manhattan Bank), as Administrative
Agent**

By: _____
Name:
Title:

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ACCOUNT DOCUMENTATION

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EXHIBIT D-1

[FORM OF WEEKLY REPORT]

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EXHIBIT D-2

[FORM OF SETTLEMENT STATEMENT]

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EXHIBIT E

[FORM OF TRANSFER CERTIFICATE]

TRANSFER CERTIFICATE

Reference is made to the Receivables Transfer Agreement dated as of October 17, 2001 (the "Agreement") among Tyson Receivables Corporation, as transferor (in such capacity, the "Transferor"), Tyson Foods, Inc., individually, as collection agent (in such capacity, the "Collection Agent") and as Guarantor, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and JP Morgan Chase Bank (formerly known as The Chase Manhattan Bank), as Administrative Agent. Terms defined in the Agreement, or incorporated therein by reference, are used herein as therein defined.

The Transferor hereby conveys, transfers and assigns to the Administrative Agent, for the benefit of the CP Conduit Purchasers and the Committed Purchasers, an undivided ownership interest in, to and under the Receivables, and wherever located, together with all the Related Security and Collections with respect thereto and all Proceeds of the foregoing, whether now owned or hereafter acquired (each, an "Incremental Transfer"). Each Incremental Transfer by the Transferor to the CP Conduit Purchasers, and each reduction or increase in the Net Investment in respect of each Incremental Transfer evidenced hereby, shall be indicated by the Administrative Agent on the grid attached hereto which is part of this Transfer Certificate.

This Transfer Certificate is made without recourse except as otherwise provided in the Agreement.

List of Actions and Suits

None.

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List of Subsidiaries and Trade Names

None.

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FORM OF SECRETARY'S CERTIFICATE

I, _____, the undersigned _____ of (" "), a _____ corporation, DO HEREBY CERTIFY that:

1. Attached hereto as Annex A is a true and complete copy of the Certificate of Incorporation of as in effect on the date hereof.
2. Attached hereto as Annex B is a true and complete copy of the By-laws of as in effect on the date hereof.
3. Attached hereto as Annex C is a true and complete copy of the resolutions duly adopted by the Board of Directors of [adopted by consent] as of _____, 2001, authorizing the execution, delivery and performance of each of the documents mentioned therein, which resolutions have not been revoked, modified, amended or rescinded and are still in full force and effect.
4. Attached hereto as Annex D are copies of good standing certificates of _____, certified by the Secretaries of State of the States of _____ and _____.
5. The below-named persons have been duly qualified as and at all times since [_____, 199_], to and including the date hereof have been officers or representatives of holding the respective offices or positions below set opposite their names and are authorized to execute on behalf of the below-mentioned Receivables Transfer Agreement and all other Transaction Documents (as defined in such Receivables Transfer Agreement) to which is a party and the signatures below set opposite their names are their genuine signatures:

Name	Office	Signatures
	[OFFICE]	
	[OFFICE]	

The representations and warranties of contained in Article III of the Receivables Transfer Agreement, dated as of _____, 2001 among Tyson Receivables Corporation, Tyson Foods, Inc., the Sellers, the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Administrative Agent, are true and correct as if made on the date hereof.

WITNESS my hand and seal of as of this ____ day of _____, 2001.

Secretary

I, the undersigned, _____ of _____, DO HEREBY CERTIFY that _____ is the duly elected and qualified Secretary of _____ and the signature above is his/her genuine signature.

WITNESS my hand as of this ____ day of _____, 2001.

[Officer]

EXHIBIT I

Trade Names of the Seller

None

Sellers and Seller Divisions:

[Names of Sellers and Sellers Divisions]

EXHIBIT J

Form of Transfer Supplement

THIS TRANSFER SUPPLEMENT is entered into as of the day of _____, 200 , by and between ("Seller") and ("Purchaser").

Preliminary Statements

A. This Transfer Supplement is being executed and delivered in accordance with Section 10.06 (d) of that certain Receivables Transfer Agreement, dated as of October 17, 2001 (as amended, supplemented or otherwise modified and in effect from time to time, the "Agreement"), by and among Tyson Receivables Corporation, a Delaware corporation, Tyson Foods, Inc., a Delaware corporation, the CP Conduit Purchasers party thereto, the Committed Purchasers party thereto, the Funding Agents and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), a New York banking corporation, as Administrative Agent. Capitalized terms used herein and not otherwise defined herein are used with the meanings set forth in, or incorporated by reference into, the Agreement.

B. The Seller is a Committed Purchaser party to the Agreement, and the Purchaser wishes to become a Committed Purchaser thereunder.

C. The Seller is selling and assigning to the Purchaser an undivided []% (the "Transferred Percentage") interest in all of Seller's rights and obligations under the Agreement, including, without limitation, the Seller's Commitment and (if applicable) the Seller's Commitment Pro Rata Share of the Seller's Committed Purchaser Funded Amount as set forth herein.

The parties hereto hereby agree as follows:

1. The transfer effected by this Transfer Supplement shall become effective (the "Transfer Effective Date") two Business Days (or such other date selected by the related Funding Agent in its sole discretion) following the date on which a transfer effective notice substantially in the form of Schedule II to this Transfer Supplement ("Transfer Effective Notice") is delivered by the Funding Agent to [applicable CP Conduit Purchaser], the Seller, the Transferor, the Purchaser and the Administrative Agent. From and after the Transfer Effective Date, the Purchaser shall be a Committed Purchaser party to the Agreement for all purposes thereof as if the Purchaser were an original party thereto and the Purchaser agrees to be bound by all of the terms and provisions contained therein.

2. If the Seller has no Committed Purchaser Funded Amount on the Transfer Effective Date, Seller shall be deemed to have hereby transferred and assigned to the Purchaser, without recourse, representation or warranty (except as provided in paragraph 6 below), and the Purchaser shall be deemed to have hereby irrevocably taken, received and assumed from the Seller, the Transferred Percentage of the Seller's Commitment and all rights and obligations associated therewith under the terms of the Agreement, including, without limitation, the Transferred Percentage of the Seller's future funding obligations under Section 2.02 of the Agreement.

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3. If the Seller has a Committed Purchaser Funded Amount, at or before 12:00 noon, local time of the Seller, on the Transfer Effective Date, the Purchaser shall pay to the Seller, in immediately available funds, an amount equal to the sum of (i) the Transferred Percentage of an amount equal to the Seller's Commitment Pro Rata Share of the Seller's Committed Purchaser Funded Amount (such amount, being hereinafter referred to as the "Purchaser's Funding Balance"); (ii) all accrued but unpaid (whether or not then due) interest attributable to the Purchaser's Funding Balance; and (iii) accrued but unpaid fees and other costs and expenses payable in respect of the Purchaser's Funding Balance for the period commencing upon each date such unpaid amounts commence accruing, to and including the Transfer Effective Date (the "Purchaser's Acquisition Cost"), whereupon, the Seller shall be deemed to have transferred and assigned to the Purchaser, without recourse, representation or warranty (except as provided in paragraph 6 below), and the Purchaser shall be deemed to have hereby irrevocably taken, received and assumed from the Seller, the Transferred Percentage of the Seller's Commitment and the Seller's Commitment Pro Rata Share of the aggregate Committed Purchaser Funded Amount and all related rights and obligations under the Agreement, including, without limitation, the Transferred Percentage of the Seller's future funding obligations under Section 2.02 of the Agreement.

4. Concurrently with the execution and delivery hereof, the Seller will provide to the Purchaser copies of all documents requested by the Purchaser which were delivered to the Seller pursuant to the Agreement.

5. Each of the parties to this Transfer Supplement agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of this Transfer Supplement.

6. By executing and delivering this Transfer Supplement, the Seller and the Purchaser confirm to and agree with each other, the Administrative Agent, the Funding Agents and the Committed Purchasers as follows: (a) other than the representation and warranty that it has not created any adverse claim upon any interest being transferred hereunder, the Seller makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made by any other Person in or in connection with the Agreement or the Transaction Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value thereof or any other instrument or document furnished pursuant thereto or the perfection, priority, condition, value or sufficiency of any collateral; (b) the Seller makes no representation or warranty and assumes no responsibility with respect to the financial condition of [applicable CP Conduit Purchaser], the Administrative Agent or any Transaction Party, any surety or any guarantor or the performance or observance by [applicable CP Conduit

Purchaser], any Transaction Party or the Administrative Agent of any of their respective obligations under the Agreement or any Transaction Document or any other instrument or document furnished pursuant thereto or in connection therewith; (c) the Purchaser confirms that it has received a copy of the Agreement and the Transaction Documents, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Transfer Supplement; (d) the Purchaser will, independently and without reliance upon the Administrative Agent, any Funding Agent, [applicable CP Conduit Purchaser] or any other Committed Purchaser, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement or the Transaction Documents; (e) the Purchaser appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (f) the Purchaser agrees that it will perform in accordance with their terms all of the obligations which, by the terms of the Agreement, are required to be performed by it as a Committed Purchaser.

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7. Each party hereto represents and warrants to and agrees with the Administrative Agent that it is aware of and will comply with the provisions of the Agreement, including, without limitation, Sections 2.02, 10.06 and 10.08 thereof.

8. Schedule I hereto sets forth the revised Commitment of the Seller and the Commitment of the Purchaser, as well as administrative information with respect to the Purchaser.

9. This Transfer Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this Transfer Supplement to be executed by their respective duly authorized officers of the date hereof.

[SELLER]

By:
Name:
Title:

[PURCHASER]

By:
Name:
Title:

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LIST OF PURCHASING OFFICES, ADDRESSES
FOR NOTICES AND COMMITMENT AMOUNTS

Date: _____, 200_

Transferred Percentage: ____%

Seller	Commitment [existing]	Commitment [revised]	Commitment Pro Rata Share of Committed Purchaser Funded Amount	Commitment Pro Rata Share
---------------	----------------------------------	---------------------------------	---	--

Purchaser	Commitment [initial]	Commitment Pro Rata Share of Committed Purchaser Funded Amount	Commitment Pro Rata Share
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Address for Notices :

Attention:

Telephone:

Telecopy:

TRANSFER EFFECTIVE NOTICE

TO: _____, Seller

_____, Purchaser

[_____, CP Conduit Purchaser

_____]

Tyson Receivables Corporation, as Transferor
c/o Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: Treasurer

Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel

JPMorgan Chase Bank,
as Administrative Agent
450 West 33 Street
15th Floor
New York, NY 10001
Attention: Conduit Administration

The undersigned, as Funding Agent for [name of CP Conduit Purchaser and Committed Purchaser] under the Receivables Transfer Agreement, dated as of October 17, 2001 (as amended, supplemented or otherwise modified and in effect from time to time), by and among Tyson Receivables Corporation, a Delaware corporation, Tyson Foods, Inc., a Delaware corporation, the CP Conduit Purchasers party thereto, the Committed Purchasers party thereto, the Funding Agents and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), a New York banking corporation, as Administrative Agent, hereby acknowledges receipt of executed counterparts of a completed Transfer Supplement dated as of , 200_ between _____, as Seller, and , as Purchaser. Capitalized terms defined in such Transfer Supplement are used herein as therein defined or incorporated by reference therein.

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-
1. Pursuant to such Transfer Supplement, you are advised that the Transfer Effective Date will be , 200_.
 2. The Funding Agent hereby consents to the Transfer Supplement as required by Section 10.06(d) of the Agreement.
 - [3. Pursuant to such Transfer Supplement, the Purchaser is required to pay \$ _____ to the Seller at or before 12:00 noon (local time of the Seller) on the Transfer Effective Date in immediately available funds.]

Very truly yours,

[], as Funding Agent

By: _____
Authorized Signatory

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[FORM OF] TRANSFER/TRANCHE PERIOD REQUEST

[Date]

To: JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Administrative Agent

[], as Funding Agent for []
 [], as Funding Agent for []
 [], as Funding Agent for []

From: TYSON RECEIVABLES CORPORATION (the "Transferor")

Re: Receivables Transfer Agreement dated as of October 17, 2001, among the Transferor, Tyson Foods, Inc., individually, as Collection Agent and as Guarantor, the Persons Party thereto as CP Conduit Purchasers, Committed Purchasers and Funding Agents, and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Administrative Agent (the "Agreement")

- A. (i) Pursuant to Section 2.02 of the Agreement, the undersigned hereby requests an Incremental Transfer from the CP Conduit Purchasers, in an aggregate amount equal to the following (which shall be at least \$3,000,000 or integral multiples of \$100,000 in excess thereof):
- | | | |
|---------------------|----------|----------|
| [Name of Purchaser] | \$ _____ | |
| [Name of Purchaser] | \$ _____ | |
| [Name of Purchaser] | \$ _____ | |
| Total: | | \$ _____ |
- (ii) The date such Incremental Transfer is requested is: _____, 20__
- (iii) After giving effect to the requested Incremental Transfer, the aggregate Net Investment will equal:
- | | | |
|---------------------|----------|----------|
| [Name of Purchaser] | \$ _____ | |
| [Name of Purchaser] | \$ _____ | |
| [Name of Purchaser] | \$ _____ | |
| Total: | | \$ _____ |
- (iv) After giving effect to the requested Incremental Transfer, the aggregate Net Investment will not exceed the Program Limit.
- B. Tranche Period request:
- (i) Pursuant to Section 2.03(a) of the Agreement, the Transferor requests the following Tranche Period with respect to the portions of the Net Investment held by [], as Match Funding CP Conduit Purchasers:

Match Funding CP Conduit Purchaser	Tranche Period	Portion of the Net Investment
		\$
		\$
Total Net Investment held by Match Funding CP Conduit Purchasers:		\$

- (ii) Pursuant to Section 2.03(c) of the Agreement, the Transferor requests the following Tranche Period with respect to the portions of the Net Investment or any other portion of the Transferred Interest held by any other Committed Purchaser:

Committed Purchaser	Tranche Type	Portion of the Net Investment or other portion of the Transferred Interest
	[BR Tranche]	\$
	[Eurodollar Tranche with a duration of] [BR Tranche]	\$
	[Eurodollar Tranche with a duration of]	
Total Net Investment held by Committed Purchasers:		\$

C. Account information for payment of Transfer Price:

D. As of the date hereof and the date of making of such Incremental Transfer:

- (i) each of the representations and warranties contained in Article III of the Agreement shall be true and correct;
- (ii) no Termination Event or Potential Termination Event has occurred and is continuing;
- (iii) the Percentage Factor does not exceed the Maximum Percentage Factor;
- (iv) the Net Investment does not exceed the Program Limit;
and
- (v) the Termination Date has not occurred.

Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

The undersigned certifies to the accuracy of the foregoing.

TYSON RECEIVABLES CORPORATION

By: _____
Name:
Title:

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EXHIBIT L

[FORM OF] REDUCTION NOTICE

[Date]

To: JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Administrative Agent
[Name of Funding Agent], as Funding Agent

From: Tyson Receivables Corporation (" Transferor ")

Re: Receivables Transfer Agreement dated as of October 17, 2001, among the Transferor, Tyson Foods, Inc., individually, as Collection Agent and as Guarantor, the Persons Party thereto as CP Conduit Purchasers, Committed Purchasers and Funding Agents, and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as Administrative Agent (the "Agreement")

A.	<p>(i) Pursuant to Section 2.06(e) of \$ _____ the Agreement, the undersigned hereby requests a reduction in the Net Investment from [Name of Conduit], as CP Conduit Purchaser, in an amount equal to the following (which shall be at least \$1,000,000 or an amount that is an integral multiple of \$1,000,000):</p> <p>(ii) The date such reduction is requested is:</p> <p>(iii) The Net Investment of [Name of \$ _____ Conduit], as CP Conduit Purchaser, under the Agreement after giving effect to the requested reduction under (i) above will equal:</p> <p>(iv) The amount in (iii) above does \$ _____ not exceed the Program Limit of [Name of Conduit], as CP Conduit Purchaser, which equals:</p>
----	--

- B. As of the date hereof and the date of making of such decrease:
- (i) each of the representations and warranties contained in Article III of the Agreement shall be true and correct;
 - (ii) no Termination Event or Potential Termination Event has occurred and is continuing;
 - (iii) the Percentage Factor does not exceed the Maximum Percentage Factor;
 - (iv) the Net Investment does not exceed the Program Limit; and
 - (v) the Termination Date has not occurred.

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Capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.

The undersigned certifies to the accuracy of the foregoing.

TYSON RECEIVABLES CORPORATION

By: _____
Name:
Title:

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EXHIBIT M

FORM OF LETTER WITH RESPECT TO AGREED-UPON PROCEDURES

October [], 2001

JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank)
450 West 33rd Street, 15th Floor
New York, NY 10001
Attn: Conduit Administration
(as Administrative Agent)
Re: Tyson Receivables Corporation

Dear Ms. Graff:

In connection with the Receivables Transfer Agreement (the "Receivables Transfer Agreement") dated October 17, 2001 among Tyson Receivables Corporation, as Transferor; Tyson Foods, Inc., individually, as Collection Agent and as Guarantor; the persons party thereto as CP Conduit Purchasers, Committed Purchasers and Funding Agents; and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank) as Administrative Agent, (collectively, the "Parties"), we have been engaged by Tyson Foods, Inc./Tyson Receivables Corporation to perform the agreed-upon procedures enumerated in Sections 6.02(c) and 6.02(d) of the Receivables Transfer Agreement.

We will perform this engagement and report our findings to you in accordance with standards established by the American Institute of Certified Public Accountants. We have not been engaged to, and will not, perform an audit or examination, the objective of which would be the expression of an opinion on the information provided to us. Accordingly, we will not express such an opinion.

The procedures set forth in Sections 6.02(c) and 6.02(d) of the Receivables Transfer Agreement have been agreed upon by the Parties to the Receivables Transfer Agreement and the efficiency of these procedures for your purposes is solely the responsibility of the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent. If we were to perform additional procedures, or if we were to perform an audit or examination of information provided to us, other matters might come to our attention that would be reported to you.

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If you agree, for the Administrative Agreement and on behalf of the CP Conduit Purchasers, the Committed Purchasers and the Funding Agents, to the procedures enumerated in Sections 6.02(c) and 6.02(d) of the Receivables Transfer Agreement, please sign one copy of this letter in the space provided below and return it to us.

Very truly yours,

JPMORGAN CHASE BANK (formerly known as
The Chase Manhattan Bank), as Administrative
Agent and on behalf of the CP Conduit Purchasers,
the Committed Purchasers and the Funding Agents

By: _____
Name:
Title:

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RECEIVABLES PURCHASE AGREEMENT

among

TYSON FOODS, INC.

THE SELLERS NAMED HEREIN,

as Sellers

and

TYSON RECEIVABLES CORPORATION,

as Purchaser

Dated as of October 17, 2001

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Schedule I	Information Concerning the Sellers	

RECEIVABLES PURCHASE AGREEMENT, dated as of October 17, 2001 (as amended, supplemented or otherwise modified and in effect from time to time, this "Agreement"), among TYSON FOODS, INC., a Delaware corporation ("Tyson"), and the subsidiaries of Tyson identified as Sellers on Schedule I, all as sellers, (each, individually, a "Seller" and collectively, the "Sellers"), and TYSON RECEIVABLES CORPORATION, a Delaware corporation, as purchaser (in such capacity, the "Purchaser").

W I T N E S S E T H :

WHEREAS, the Purchaser desires to purchase from time to time certain accounts receivable existing on the Closing Date and thereafter until the Purchase Termination Date;

WHEREAS, the Sellers desire to sell and assign from time to time such certain accounts receivable to the Purchaser upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and among the Purchaser and the Sellers as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions . All capitalized terms used herein shall have the meanings specified herein or, if not so specified, the meaning specified in, or incorporated by reference into, Schedule A to the Receivables Transfer Agreement, dated as of the date hereof (as amended, supplemented or otherwise modified and in effect from time to time, the "Receivables Transfer Agreement"), by and among Tyson Receivables Corporation, as Transferor thereunder, Tyson Foods, Inc., individually, as Collection Agent and as Guarantor thereunder, the several CP Conduit Purchasers, Committed Purchasers and Funding Agents named therein and The Chase Manhattan Bank, as Administrative Agent thereunder.

Section 1.02 Other Terms . All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles. All terms used in Article 9 of the Relevant UCC, and not specifically defined herein, are used herein as defined in such Article 9.

Section 1.03 Computation of Time Periods . Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding," and the word "within" means "from and excluding a specified date and to and including a later specified date."

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ARTICLE II

Purchase, Conveyance and Servicing of Receivables

Section 2.01 Sales . (a) Upon the terms and subject to the conditions set forth herein, and without recourse (except such limited recourse as is specifically provided for in Sections 5.01(q), 6.01 and 6.02), each of the Sellers hereby sells, assigns, transfers and conveys to the Purchaser, and the Purchaser hereby purchases from each of the Sellers, all of such Seller's right, title and interest, whether now owned or hereafter acquired and wherever located, in, to and under the Receivables outstanding on the Closing Date and thereafter owned by each of the Sellers, through any Purchase Termination Date, together with all Related Security and Collections with respect thereto (to the extent that such right, title and interest was not already purchased by the Purchaser) and all Proceeds of the foregoing. Such interest in the Receivables, expressed as a dollar amount, shall be equal to the aggregate unpaid balance of the Receivables from time to time. Any sale, assignment, transfer and conveyance hereunder does not constitute an assumption by the Purchaser of any obligations of the Sellers or any other Person to Obligors or to any other Person in connection with the Receivables or under any Related Security or any other agreement or instrument relating to the Receivables.

(b) In connection with such sale, each Seller agrees to execute and deliver for filing on or prior to the Closing Date, at its own expense, a financing statement or statements (Form UCC-1) with respect to the Receivables and the other property described in Section 2.01(a) sold by such Seller hereunder meeting the requirements of applicable state law in such manner and in such jurisdictions as are necessary to perfect and protect the interests of the Purchaser created hereby in the Receivables under the Relevant UCC against all creditors of, and purchasers from, such Seller, and to deliver either the originals of such financing statements or a file-stamped copy of such financing statements or other evidence of such filings to the Purchaser on or prior to the Closing Date.

(c) Each of the Sellers agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents and take all actions as may be necessary or as the Purchaser may reasonably request in order to perfect or protect the interest of the Purchaser in the Receivables purchased hereunder or to enable the Purchaser to exercise or enforce any of its rights hereunder. Without limiting the foregoing, each Seller will, in order to accurately reflect this purchase and sale transaction, execute and file such financing or continuation statements or amendments thereto or assignments thereof (as permitted pursuant hereto) as may be requested by the Purchaser and mark its master data processing records (or related subledger) and other documents with a legend describing the purchase by the Purchaser of the Receivables and the interest transferred by the Purchaser to the Administrative Agent pursuant to the Receivables Transfer Agreement and stating "Substantially all accounts receivable have been sold to Tyson Receivables Corporation and then transferred to The Chase Manhattan Bank, as Administrative Agent, for various lenders. Details are available from Treasurer, Tyson Foods, Inc., as Collection Agent, at telephone 501-290-4194." The Sellers shall, upon request of the Purchaser, obtain such additional search reports as the Purchaser shall request. To the fullest extent permitted by applicable law, the Purchaser shall be permitted to sign and file continuation statements and amendments thereto and assignments thereof without the Sellers' signatures. Carbon, photostatic or other reproduction of this Agreement or any financing statement shall be sufficient as a financing statement.

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(d) It is the express intent of the Sellers (including Tyson) and the Purchaser that the conveyance of the Receivables by the Sellers to the Purchaser pursuant to this Agreement be construed as a sale of such Receivables by the Sellers to the Purchaser. Further, it is not the intention of the Sellers and the Purchaser that such conveyance be deemed a grant of a security interest in the Receivables by the Sellers to the Purchaser to secure a debt or other obligation of the Sellers. Except under the limited circumstances described in Sections 5.01(q), 6.01 and 6.02 hereof, the Sellers shall have no right or obligation hereunder to repurchase or otherwise reacquire any such Receivables. Except as otherwise provided in Sections 5.01(q), 6.01 and 6.02 hereof, each sale of Receivables by the Sellers hereunder is made without recourse of any kind. However, in the event that, notwithstanding the intent of the parties, the Receivables are construed to constitute property of the Sellers, then (i) this Agreement shall be deemed to be, and hereby is declared to be, a security agreement within the meaning of the Relevant UCC; and (ii) the conveyances by each of the Sellers provided for in this Agreement shall be deemed to be, and each of the Sellers hereby grants to the Purchaser, a security interest in, to and under all of such Seller's right, title and interest in, to and under the Receivables outstanding on the Closing Date and thereafter owned by such Seller, together with all Related Security and Collections with respect thereto and all Proceeds of the foregoing, whether now owned or hereafter acquired and wherever located, to secure the rights of the Purchaser set forth in this Agreement or as may be determined in connection therewith by applicable law. The Sellers and the Purchaser shall, to the extent consistent with this Agreement, take such actions as may be necessary to ensure that, if this Agreement were deemed to create a security interest in the Receivables, such security interest would constitute a perfected security interest in favor of the Purchaser under applicable law and will be maintained as such throughout the term of this Agreement.

Section 2.02 Servicing of Receivables . The servicing, administering and collection of the Receivables shall be conducted by certain of the Sellers (individually, an "Agent Seller" and collectively, the "Agent Sellers"), as agents of the Collection Agent, in accordance with the terms and conditions of the Receivables Transfer Agreement. Each Agent Seller hereby agrees to perform, take or cause to be taken all such action as may be necessary or advisable to collect each Receivable from time to time, all in accordance with the terms and conditions of the Receivables Transfer Agreement, the Credit and Collection Policy and applicable laws, rules and regulations and with the care and diligence which each of the Agent Sellers employs in servicing similar receivables for its own account. The Collection Agent hereby appoints each Agent Seller as its agent to enforce the Purchaser's rights and interests in, to and under the Receivables, the Related Security and the Collections with respect thereto. To the extent permitted by applicable law, each Seller hereby grants to any Collection Agent appointed under the Receivables Transfer Agreement and at any time following the designation of a Collection Agent other than Tyson, any Seller or the Purchaser, to the Administrative Agent an irrevocable power of attorney to take in the Seller's name and on behalf of the Seller any and all steps necessary or desirable, in the reasonable determination of the Collection Agent or the Administrative Agent, to collect all amounts due under any and all Receivables, including, without limitation, endorsing the Seller's name on checks and other instruments representing Collections and enforcing such Receivables and the related Contracts. The Collection Agent and each of the Sellers shall hold in trust for the Purchaser, in accordance with its interests, all Records which evidence or relate to the Receivables or Related Security, Collections and Proceeds with respect thereto. Notwithstanding anything to the contrary contained herein, from and after the occurrence of a Termination Event or a Collection Agent Default, the Administrative Agent, upon written notice to the Collection Agent on behalf of the CP Conduit Purchasers and the Committed Purchasers, shall have the absolute and unlimited right to terminate the Agent Sellers' servicing activities described in this Section 2.02.

ARTICLE III

Consideration and Payment; Reporting

Section 3.01 Purchase Price . The purchase price for the Receivables and Related Property conveyed to the Purchaser by the Sellers under this Agreement (other than Receivables and Related Property contributed to the Purchaser pursuant to the penultimate sentence of Section 3.02(a)) on any Business Day shall be a dollar amount equal to the product of (i) the aggregate Outstanding Balance of the Receivables sold on such Business Day and (ii) the then applicable Discount Percentage (the "Purchase Price").

Section 3.02 Payment of Purchase Price. (a) The Purchase Price for each Receivable sold hereunder on any Business Day shall be paid or provided for on the Business Day on which such sale occurred (i) by payment in immediately available funds to the extent the Purchaser has such funds available and (ii) to the extent such funds are not available, by increasing the amount due under the Subordinated Note by notation thereon; provided, however, that the aggregate outstanding principal amount of the Subordinated Note on any Business Day (after giving effect to all repayments thereof on or before such Business Day) shall not exceed the lesser of (x) 30% of the Outstanding Balance of the Receivables purchased hereunder existing on such Business Day and (y) an amount that would cause the Purchaser's net worth (as defined in accordance with GAAP) to be less than \$140,000,000. To the extent that the Purchaser does not have sufficient cash or availability under the Subordinated Note to pay the total Purchase Price for Receivables sold on any Business Day in full, Tyson may make or cause to be

made a capital contribution of cash and/or Receivables and Related Security to the Purchaser. No sales of Receivables shall be made hereunder on and after the Purchase Termination Date.

(b) All increases to the amount due under the Subordinated Note pursuant to Section 3.02(a)(ii) (each, an "Advance") shall be evidenced by a single subordinated note, duly executed on behalf of Purchaser, in substantially the form of Exhibit A annexed hereto, delivered on the Closing Date and payable to Tyson, as agent for the Sellers (as amended, supplemented or otherwise modified and in effect from time to time, the "Subordinated Note"). The Collection Agent is hereby authorized by Purchaser to endorse on the schedule attached to the Subordinated Note (or a continuation of such schedule attached thereto and made a part thereof) an appropriate notation evidencing the date and amount of each Advance, as well as the date and amount of each payment with respect thereto; provided, however, that the failure of any Person to make such a notation shall not affect any obligations of Purchaser thereunder. Any such notation shall be conclusive and binding as to the date and amount of such Advance, or payment of principal or interest thereon, absent manifest error.

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(c) The terms and conditions of the Subordinated Note and all Advances thereunder shall be as follows:

(i) Allocation of Advances. Advances shall be allocated among the Sellers pro rata according to the Purchase Price due to each Seller on the date such Advances are made.

(ii) Repayment of Advances. All amounts paid by the Purchaser with respect to the Advances shall be allocated first to the repayment of accrued interest until all such interest is paid, and then to the outstanding principal amount of the Advances. Tyson shall apply and distribute all payments of principal pro rata among the Sellers according to the outstanding Advances of each Seller. Subject to the provisions of this Agreement, the Purchaser may borrow, repay and reborrow Advances on and after the date hereof and prior to the termination of this Agreement, subject to the terms, provisions and limitations set forth herein.

(iii) Interest. The Subordinated Note shall bear interest from its date on the outstanding principal balance thereof at an initial rate per annum equal to 8.50%, adjusted on each Interest Payment Date (as defined therein) to an amount equal to the Prime Rate (as defined therein) plus 2.00%. Interest on each Advance shall be computed based on the number of days elapsed in a year of 360 days.

(iv) Sole and Exclusive Remedy; Subordination. The Purchaser shall be obligated to repay Advances to Tyson, as agent for the Sellers, only to the extent of funds available to the Purchaser from Collections on the Receivables and, to the extent that such payments are insufficient to pay all amounts owing to the Sellers under the Subordinated Note, the Sellers shall not have any claim against the Purchaser for such amounts and no further or additional recourse shall be available against Purchaser. The Subordinated Note shall be fully subordinated to any rights of the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers pursuant to the Receivables Transfer Agreement and the Asset Purchase Agreement, and shall not evidence any rights in the Receivables or Related Property.

(v) Offsets, etc. The Purchaser may offset any amount due and owing by the Sellers to the Purchaser against any amount due and owing by the Purchaser to Tyson, as agent for the Sellers, under the terms of the Subordinated Note.

Section 3.03 Reports. Each Seller will furnish to the Collection Agent all information with respect to the Receivables sold by such Seller under this Agreement required by the Collection Agent in order to complete the Weekly Reports and monthly Settlement Statements delivered by the Collection Agent pursuant to the Receivables Transfer Agreement. Each delivery of a Weekly Report and Settlement Statement by the Collection Agent shall be deemed to be a representation and warranty by each Seller that all information set forth in those reports with respect to the Receivables sold by such Seller under this Agreement and Collections thereof is true and correct.

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Section 3.04 Transfer of Records. (a) In connection with the Purchase of Receivables hereunder, each of the Sellers hereby sells, transfers, and conveys to the Purchaser all of its right and title to and interest in the Records relating to all of its Receivables sold hereunder, without the need for any further documentation in connection with any Purchase. In connection with such transfer, each of the Sellers hereby grants to the Purchaser, the Collection Agent and the Administrative Agent an irrevocable, non-exclusive license to use without royalty or payment of any kind, all software used by such Seller to account for its Receivables, to the extent necessary to administer its Receivables, whether such software is owned by Tyson or is owned by others and used by Tyson under license agreements with respect thereto, but only to

the extent permitted by such license; provided that should the consent of any licensor to such grant of license described herein be required, each Seller agrees that upon the earlier of the Termination Date or the replacement of Tyson as the Collection Agent, and upon the request of the Purchasers, the Collection Agent or the Administrative Agent, such Seller will use reasonable efforts to obtain the consent of such third-party licensor. The irrevocable license hereby granted shall terminate on the date when the Net Investment has been reduced to zero, all other Aggregate Unpays have been paid in full and the Commitments have been terminated. Each of the Purchaser, the Collection Agent and the Administrative Agent agree that such license shall be subject to such reasonable restrictions as the Sellers shall request for the purpose of protecting intellectual property rights of the owners of such software.

(b) Each Seller shall take such action as requested by the Purchaser, from time to time hereafter, that may be necessary or appropriate to ensure that the Purchaser and its assignees have an enforceable right to use all Records and all software used to account for the Receivables and/or recreate such records.

(c) The use of Records by the Purchaser is subject to Section 9.14 of this Agreement.

Section 3.05 Payments and Computations . All amounts due to be paid or deposited by the Purchaser hereunder shall be paid or deposited in accordance with the terms hereof on the day when due in immediately available funds to the account designated from time to time by the Sellers or as otherwise directed by the Sellers. In the event that any payment owed by any Person hereunder becomes due on a day that is not a Business Day, then such payment shall be made on the next succeeding Business Day. Except as otherwise provided in the Transaction Documents, any amount due hereunder that is not paid when due hereunder shall bear interest at the Base Rate as in effect from time to time until paid in full; provided, however, that such interest rate shall not at any time exceed the maximum rate permitted by applicable law. All computations of interest payable hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first, but excluding the last) elapsed.

ARTICLE IV

Representations and Warranties

Section 4.01 Sellers' Representations and Warranties . Each of the Sellers represents and warrants to the Purchaser as of the Closing Date and on each Business Day on which Receivables are sold hereunder:

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(a) **Corporate Existence and Power** . The Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has all requisite corporate power and all material governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is now conducted except where the failure to have such licenses, authorizations, consents and approvals would not have a Material Adverse Effect. The Seller is duly qualified to do business in, and is in good standing in, every other jurisdiction in which the nature of its business requires it to be so qualified, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

(b) **Corporate and Governmental Authorization; Contravention** . The execution, delivery and performance by the Seller of the Transaction Documents to which it is a party are within the Seller's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any Official Body or official thereof (except for the filing of UCC financing statements as required by this Agreement), and to the best of the Sellers' knowledge, do not contravene, or constitute a default under, any provision of applicable law, rule or regulation or of the Certificate of Incorporation or the By-Laws or other organizational documents of the Seller or of any agreement, judgment, injunction, order, writ, decree or other instrument binding upon the Seller or result in the creation or imposition of any Adverse Claim on the assets of the Seller (except those created by this Agreement, the Receivables Transfer Agreement and the Asset Purchase Agreement).

(c) **Valid Sale; Binding Effect** . Each purchase of Receivables and Related Security by the Purchaser hereunder shall constitute a valid sale and assignment by the Seller to the Purchaser, enforceable against creditors of, and purchasers from, the Seller. Each of the Transaction Documents to which the Seller is a party will constitute the legal, valid and binding obligation of the Seller, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the rights of creditors and general equitable principles (whether considered in a proceeding in equity or at law).

(d) **Quality of Title** . Immediately preceding the sale of the Receivables and Related Security pursuant to this Agreement, the Seller was the owner of all of the Receivables, free and clear of all liens, encumbrances, security interests, preferences or other security arrangement. On or prior to the date hereof, all financing statements and other documents required to be recorded or filed in order to perfect and protect the interest of the Purchaser in, to and under the Receivables against all creditors of and purchasers from the Seller will have been

duly executed and delivered to the Purchaser or its representative for filing in each filing office necessary for such purpose and all filing fees and taxes, if any, payable in connection with such filings shall have been provided for in full.

(e) Accuracy of Information. All written information heretofore furnished by the Seller to the Purchaser, the Collection Agent and the Administrative Agent for purposes of or in connection with this Agreement, any other Transaction Document, or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by the Seller to the Purchaser, the Collection Agent, the Administrative Agent, the Funding Agents, the CP Conduit Purchasers and the Committed Purchasers will be, true and accurate in every material respect, on the date such information is stated or certified.

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(f) Tax Status. The Seller has filed all material tax returns (Federal, state and local) required to be filed and has paid or made adequate provision for the payment of all material taxes, assessments and other similar governmental charges other than taxes contested in good faith and for which adequate reserves have been established in accordance with GAAP and taxes which are not yet due and payable.

(g) Litigation. Except as set forth in Exhibit F to the Receivables Purchase Agreement, there are no actions, suits or proceedings pending, or to the knowledge of the Seller threatened, against or affecting the Seller or any Affiliate of the Seller or their respective properties, in or before any court, arbitrator or other Official Body, which could reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(h) Place of Business. The state and form of organization, principal place of business and chief executive office of the Seller are located at the address specified on Schedule I, and the offices where the Seller keeps all its Records, are located at the address specified on Schedule I, or such other locations notified to the Purchaser in accordance with this Agreement in jurisdictions where all action required by the terms of this Agreement has been taken and completed.

(i) Solvency. Tyson is, and Tyson and its Subsidiaries are, on a consolidated basis, Solvent.

(j) Tradenames, Etc. As of the date hereof: (i) The Seller has only the subsidiaries listed on Exhibit I to the Receivables Transfer Agreement; and (ii) the Seller has, within the last four months, operated only under the tradenames identified on Exhibit I to the Receivables Transfer Agreement, and, within the last four months, has not changed its name, merged with or into or consolidated with any other corporation or been the subject of any proceeding under Title 11, United States Code (Bankruptcy), except as disclosed in Exhibit I to the Receivables Transfer Agreement.

(k) Nature of Receivables. Each Receivable included in the calculation of the Net Receivables Balance in fact satisfies at such time the definition of "Eligible Receivable" and is an "eligible asset" as defined in Rule 3a-7 under the Investment Company Act of 1940, as amended, and is not a Defaulted Receivable.

(l) Credit and Collection Policy. Since the Closing Date, there have been no material changes in the Credit and Collection Policy other than as permitted hereunder.

(m) Collections and Servicing. Since July 31, 2001, there has been no material adverse change in the ability of the Seller to service and collect the Receivables.

(n) Binding Effect of Receivables and Contract. Each Receivable and related Contract constitutes a legal, valid and binding obligation of the Obligor, enforceable against the Obligor, subject to the effect of bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and general equitable principles (whether considered in a proceeding at law or in equity).

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(o) Not an Investment Company. The Seller is not, nor is it controlled by, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and it is exempt from all provisions of such Act.

(p) ERISA. The Seller and its ERISA Affiliates are in compliance in all material respects with ERISA, except for any noncompliance which would not reasonably be expected to have a Material Adverse Effect, and no lien exists in favor of the Pension Benefit

Guaranty Corporation on any of the Receivables.

(q) Lockbox Accounts. The names and addresses of all the Lockbox Banks, together with the account numbers of the Lockbox Accounts at such Lockbox Banks, are specified in Exhibit B to the Receivables Transfer Agreement. All Obligor have been instructed to make payment to a Lockbox Account.

(r) Bulk Sales. No transaction contemplated by this Agreement requires compliance with any bulk sales act or similar law.

(s) Reasonably Equivalent Value. The Purchase Price constitutes reasonably equivalent value in consideration for the transfer by each Seller to the Purchaser of Receivables from such Seller pursuant to this Agreement and no such transfer has been made for or on account of an antecedent debt owed by such Seller to the Purchaser, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(t) Regulations T, U and X. No proceeds of the sales of Receivables under this Agreement will be used by the Seller to acquire any security in any transaction which violates Regulation T, U or X of the Federal Reserve Board.

Section 4.02 Reaffirmation of Representations and Warranties by the Sellers; Notice of Breach. On the Closing Date and on each Business Day on which Receivables are sold hereunder, the Sellers, by accepting the proceeds of such sale, shall be deemed to have certified that all representations and warranties described in Section 4.01 are true and correct on and as of such day as though made on and as of such day. The representations and warranties set forth in Section 4.01 shall survive (i) the conveyance of the Receivables to the Purchaser, (ii) the termination of the rights and obligations of the Purchaser and the Sellers under this Agreement and (iii) the termination of the rights and obligations of the Transferor, the Sellers and the Funding Agent under the Receivables Transfer Agreement. Upon the coming to the knowledge of any Responsible Officer of the Purchaser or any of the Sellers of a breach of any of the foregoing representations and warranties, the party with knowledge of such breach shall give prompt written notice to the other within three (3) Business Days of such discovery.

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ARTICLE V

Covenants of the Sellers

Section 5.01 Covenants of the Sellers. Each of the Sellers hereby covenants and agrees with the Purchaser that, for so long as this Agreement is in effect, and until all Receivables which have been sold to the Purchaser pursuant hereto, shall have been paid in full or written-off as uncollectible, and all amounts owed by the Sellers pursuant to this Agreement have been paid in full, unless the Purchaser, the Administrative Agent and the Required Committed Purchasers otherwise consent in writing:

(a) Conduct of Business. The Seller will, and will cause each of its Subsidiaries to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly organized, validly existing and in good standing in its jurisdiction of organization and will maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

(b) Compliance with Laws. The Seller will, and will cause each of its Subsidiaries to, comply in all material respects with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except to the extent that the failure to comply with such laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards would not materially adversely affect the ability of the Seller to perform its obligations under this Agreement.

(c) Furnishing of Information and Inspection of Records. The Seller will furnish to the Purchaser from time to time such information with respect to itself or the Receivables as the Purchaser may reasonably request, including, without limitation, listings identifying the Obligor and the Outstanding Balance for each Receivable. The Seller will at any time and from time to time during regular business hours, upon reasonable notice (it being agreed that one Business Day's notice shall be reasonable when a Termination Event or Potential Termination Event has taken place and is continuing), and at the Purchaser's expense, permit the Purchaser, its agents or representatives or such other individuals as the Purchaser may reasonably request, (i) to examine and make copies of and abstracts from all Records and (ii) to visit the offices and properties of the Seller for the purpose of examining such Records, and to discuss matters relating to Receivables or the Seller's performance hereunder with any of the officers or employees of the Seller having knowledge of such matters.

(d) Keeping of Records and Books of Account. The Seller will maintain a system of accounting established and administered in

accordance with generally accepted accounting principles, consistently applied, and will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all Receivables (including, without limitation, records adequate to permit the daily identification of each Receivable and all Collections of and adjustments to each existing Receivable). The Seller will give the Purchaser prompt notice of any change in the administrative and operating procedures referred to in the previous sentence to the extent such change could reasonably be expected to have a Material Adverse Effect.

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(e) Performance and Compliance with Receivables and Contracts. The Seller at its expense will timely and fully perform and comply with all material provisions, covenants and other promises required to be observed by it under the Contracts related to the Receivables.

(f) Credit and Collection Policies. The Seller will comply in all material respects with the Credit and Collection Policy in regard to each Receivable and the related Contract.

(g) Collections. The Seller shall instruct all Obligor to cause all Collections to be deposited directly to a Lockbox Account.

(h) Collections Received. The Seller shall hold in trust for the Purchaser, and deposit immediately (and in any event within one Business Day) after receipt thereof to a Lockbox Account all Collections received from time to time by the Seller. The Seller shall prevent the deposit of any funds other than Collections into any of the Lockbox Accounts and, to the extent that any such funds are nevertheless deposited into any of such Lockbox Accounts, promptly (and in any event within one Business Day) identify any such funds to the Collection Agent for segregation and remittance to the owner thereof. If such Seller or any of its agents or representatives of Affiliates shall at any time receive any cash, checks or other instruments constituting Collections, such recipient shall segregate such payments and hold such payments in trust for the Purchaser and shall, promptly upon receipt (and in any event within one Business Day following receipt), remit all such Collections, duly endorsed or with duly executed instruments of transfer, to a Lockbox Account, or with the consent of the Administrative Agent and the Required Committed Purchasers, to a segregated account of the Transferor satisfactory to the Administrative Agent and the Required Committed Purchasers.

(i) Sale Treatment. The Seller agrees to treat each conveyance hereunder for all purposes (including, without limitation, for financial accounting purposes) as a sale and, to the extent any such reporting is required, shall report the transactions contemplated by this Agreement on all relevant books, records, financial statements and other applicable documents as a sale of the Receivables to the Purchaser. For U.S. Federal, State and local income and franchise tax purposes, the transactions contemplated by the Receivables Transfer Agreement will be treated as a loan to the Transferor, secured by assets acquired by the Transferor pursuant to this Agreement.

(j) No Sales, Liens, Etc. Except as otherwise provided herein, the Seller will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Adverse Claim upon (except for the filing of any financing statement as required under this Agreement) or with respect to, any Receivable, Related Security or Collections or upon or with respect to any Lockbox Account to which any Collections of any Receivable are sent, or, in each case, assign any right to receive income in respect thereof.

(k) No Extension or Amendment of Receivables. The Seller will not extend, amend or otherwise modify the terms of any Receivable, or amend, modify or waive any term or condition of any Contract related thereto in a manner which adversely affects the amount or collectibility of any Receivable, except as provided in Section 2.02 or in the Receivables Transfer Agreement, without the prior written consent of the Purchaser.

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(l) No Change in Character of Business or Credit and Collection Policy. Except as provided in the Receivables Transfer Agreement, the Seller will not make any change in the character of its business or in the Credit and Collection Policy, which change might impair the Seller's ability to collect the Receivables, considered as a whole, in any respect, or otherwise adversely affect the interests or remedies of the CP Conduit Purchasers or the Committed Purchasers.

(m) No Mergers, Etc. The Sellers will not (i) consolidate or merge with or into any other Person, or (ii) sell, lease or transfer all or substantially all of its assets to any other Person; provided, that the Seller may merge with another Person if the Seller is the surviving entity and such merger or consolidation does not cause a Termination Event or Potential Termination Event under Section 7.01(h) of the Receivables

Transfer Agreement.

- (n) Change in Payment Instructions to Obligors; Deposits to Lockbox Accounts. The Sellers will not add or terminate, or make any change to, any Lockbox Account, except in accordance with the Receivables Transfer Agreement. The Seller will not deposit or otherwise credit, or cause or permit to be so deposited or credited, to any Lockbox Account, cash or cash proceeds other than Collections of Receivables.
- (o) Change of Name, Etc. The Seller shall not change its name, jurisdiction of organization, form of organization, taxpayer identification number or state organizational number unless at least ten (10) days prior to the effective date of any such change the Seller delivers to the Purchaser and the Administrative Agent (i) financing statements under the Relevant UCC, executed by the Seller, necessary to reflect such change and to continue the perfection of the Purchaser's interest in the Receivables and (ii) new or revised Lockbox Account Agreements which reflect such change and enable the Administrative Agent, on behalf of the CP Conduit Purchasers and the Committed Purchasers, to exercise its rights under the Transaction Documents.
- (p) Separate Existence. The Seller shall:
- (i) Maintain its deposit account or accounts, separate from those of the Purchaser and use its commercially reasonable efforts to ensure that its funds will not be diverted to the Purchaser and that its funds and assets will not be commingled with those of the Purchaser;
- (ii) To the extent that it shares any officers or other employees with the Purchaser, fairly allocate between it and the Purchaser the salaries of and the expenses related to providing benefits to such officers and other employees, and the Seller and the Purchaser shall bear their respective fair share of the salary and benefit costs associated with all such common officers and employees;
- (iii) To the extent that it jointly contracts with the Purchaser to do business with vendors or service providers or to share overhead expenses, fairly allocate between it and the Purchaser the costs incurred in so doing, and it and the Purchaser shall bear their fair shares of such costs; and to the extent that it contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of the Purchaser, the costs incurred in so doing shall be fairly allocated between it and the Purchaser in proportion to the benefit of the goods or services each is provided, and the Seller and the Purchaser shall bear their fair shares of such costs;
-
- (iv) Enter into all material transactions with the Purchaser, whether currently existing or hereafter entered into, only on an arm's length basis, it being understood and agreed that the transactions contemplated in the Transaction Documents meet the requirements of this clause (iv);
- (v) Maintain office space separate from the office space of the Purchaser (but which may be located at the same address as the Purchaser). To the extent that it and the Purchaser have offices in the same location, there shall be a fair and appropriate allocation of overhead costs between them, and each shall bear its fair share of such expenses subject to a written sublease agreement;
- (vi) Conduct its affairs strictly in accordance with its certificate of incorporation and observe all necessary, appropriate and customary corporate formalities, including, but not limited to, holding all regular and special stockholders' and directors' meetings appropriate to authorize all corporate action, keeping separate and accurate minutes of its meetings, passing all resolutions or consents necessary to authorize actions taken or to be taken, and maintaining accurate and separate books, records and accounts, including, but not limited to, payroll and intercompany transaction accounts;
- (vii) Not assume or guarantee any of the liabilities of the Purchaser;
- (viii) Take, or refrain from taking, as the case may be, all other actions that are necessary to be taken or not to be taken in order (x) to ensure that the assumptions and factual recitations set forth in the Specified Bankruptcy Opinion Provisions remain true and correct with respect to it (and, to the extent within its control, to ensure that the assumptions and factual recitations set forth in the Specified Bankruptcy Opinion Provisions remain true and correct with respect to the Purchaser) and (y) to comply with those procedures described in such provisions that are applicable to it;
- (ix) Maintain its books of account, financial reports and corporate records separately from those of Tyson and each other Affiliate of the Seller;
- (x) Cause its accounting records and the published financial statements to clearly show that, for accounting purposes, the Receivables and Related Security have been sold to the Purchaser, except that Tyson shall disclose (in a footnote or otherwise) in all of its financial statements the existence and nature of the transaction contemplated hereby and by the Receivables Transfer Agreement and the interest of the Transferor, the CP Conduit Purchasers and the Committed Purchasers in the Receivables and Related Security, Collections and

(xi) Maintain its assets in a manner that facilitates their identification and segregation from those of Tyson, the other Sellers, the Purchaser and other Affiliates of Tyson;

(xii) Not, directly or indirectly, name the Purchaser or enter into any agreement to name the Purchaser a direct or contingent beneficiary or loss payee or any insurance policy covering the property of the Seller; and

(xiii) Not be, nor hold itself out to be, responsible for the debts of the Purchaser or the decisions or actions in respect of the daily business and affairs of the Purchaser, and immediately correct any known misrepresentation with respect to the foregoing.

The Sellers, the Purchaser and their Affiliates will not operate or purport to operate as an integrated single economic unit with respect to each other or in their dealing with any other entity.

(q) Indemnification. The Seller agrees to indemnify, defend and hold the Purchaser harmless from and against any and all damages, losses, claims, liabilities, deficiencies, costs, disbursements and expenses, including, without limitation, interest, penalties, amounts paid in settlement and reasonable attorneys' fees to which the Purchaser may become subject insofar as such damages, losses, claims, liabilities, deficiencies, costs, disbursements and expenses arise out of or are based upon a breach by the Seller of its representations, warranties and covenants contained herein, or any information certified in any schedule or certificate delivered by any of the Sellers hereunder or in connection with the Transaction Documents, being untrue in any material respect at any time; provided that in no event shall this Section 5.01 (q) be construed to include uncollectibility of any Receivable for credit-related reasons pertaining to the related Obligor. The obligations of the Seller under this Section 5.01(q) shall be considered to have been relied upon by the Purchaser and the Administrative Agent, on behalf of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers, and shall survive the execution, delivery, performance and termination of this Agreement for a period of three (3) years following the Purchase Termination Date, regardless of any investigation made by the Purchaser or the Administrative Agent or on behalf of either of them.

It is expressly understood and agreed by the parties (i) that the foregoing indemnification is not intended to, and shall not constitute a guarantee of the collectibility or payment of the Receivables and (ii) that nothing in this Section 5.01(q) shall constitute recourse (except as otherwise specifically provided in this Agreement) for (a) uncollectible Receivables or other obligations hereunder or related costs or expenses resulting from such indemnified Person's gross negligence or wilful misconduct, (b) any franchise taxes owed by such indemnified Person or (c) any other taxes imposed against such indemnified Person on account of its ownership of the Receivables to the extent such taxes are measured by or against the gross or net income or receipts of such Person.

(r) ERISA. (i) The Seller will not (A) engage or permit any of its ERISA Affiliates to engage in any prohibited transaction (as defined in Section 4975 of the Code and Section 406 of ERISA) for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (B) permit to exist any accumulated funding deficiency (as defined in Section 302(a) of ERISA and Section 412(a) of the Code) or funding deficiency with respect to any Benefit Plan other than a Multiemployer Plan; (C) fail to make any payments to any Multiemployer Plan that the Seller or any ERISA Affiliate of the Seller is required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto; (D) terminate any Benefit Plan so as to result in any liability to the Pension Benefit Liability Corporation; or (E) permit to exist any occurrence of any reportable event described in Title IV of ERISA which represents a material risk of a liability to the Sellers, or any ERISA Affiliate of the Seller under ERISA or the Code, if such prohibited transactions, accumulated funding deficiencies, failure to make payments, terminations and reportable events occurring within any fiscal year of the Seller, in the aggregate, involve a payment of money or an incurrence of liability by the Seller or any ERISA Affiliate of the Seller, in an amount which would reasonably be expected to have a Material Adverse Effect and (ii) the Seller shall promptly give the Purchaser written notice upon becoming aware that the Seller is not in compliance with ERISA if such noncompliance would reasonably be expected to have a Material Adverse Effect or that any ERISA lien on any of the Receivables exists and, promptly after the receipt or filing thereof, shall provide the Purchaser with copies of all reports and notices with respect to any reportable event (as defined in Article IV of ERISA) which the Seller or any ERISA Affiliate thereof files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which the Seller or any ERISA Affiliate thereof receives from the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor.

ARTICLE VI

Repurchase Obligation

1. Mandatory Repurchase

Section 6.01 Mandatory Repurchase .

(a) Breach of Representation or Warranty . If any Receivable which has been sold by any Seller hereunder and which has been reported by such Seller as an Eligible Receivable to the Collection Agent in the reports of such Seller delivered pursuant to Section 3.03 shall have failed to meet the conditions set forth in the definition of Eligible Receivable on the date of such report or if, on any day, any representation or warranty made herein in respect of such Receivable shall no longer be true in any material respect, such Seller shall be deemed to have received on the date of such report or such day, as applicable, a Collection of such Receivable in full and shall on such day pay to the Purchaser an amount equal to the aggregate Outstanding Balance of such Receivable.

(b) Reconveyance Under Certain Circumstances . Each Seller agrees that, in the event of a breach of any of the representations and warranties set forth in Sections 4.01(d), (h), (j), (k), (l), (n), (o), and (p), with respect to any Receivable which has been sold hereunder, such Seller agrees to accept the reconveyance of such Receivable upon receipt by such Seller of notice given in writing by the Purchaser and such Seller's failure to cure such breach within fifteen (15) days (or, in the case of Section 4.01(d) or (k), within one (1) Business Day) after receipt of such notice. In the event of a reconveyance under this Section 6.01(b), the Seller shall pay to the Purchaser in immediately available funds on such 15th day (or such Business Day, if applicable) an amount equal to the Outstanding Balance of any such Receivable.

Section 6.02 Dilutions, Etc . Each Seller agrees that if on any Business Day the Outstanding Balance of a Receivable, an interest in which has been sold by such Seller hereunder, is either (x) reduced as a result of defective, rejected or returned goods or other dilution factor, any billing adjustment or other adjustment, or (y) reduced or canceled as a result of (i) a setoff or dispute in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction), or (ii) any action by any Federal or state taxing authority or as a result of the payment by any Obligor of any portion of a Receivable constituting a tax or governmental fee or charge to any Person other than the Purchaser, then such Seller shall be deemed to have received on such day a collection of such Receivable in the amount of such reduction, cancellation or payment made by the Obligor and shall on such day pay to the Purchaser an amount equal to such reduction or cancellation on the last Business Day of the calendar month in which such reduction or cancellation occurred.

ARTICLE VII

Conditions Precedent

Section 7.01 Conditions Precedent . The obligations of the Purchaser to purchase the Receivables on the Closing Date and on any Business Day on which Receivables are sold hereunder shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of the Sellers contained in this Agreement shall be true and correct on the Closing Date and on the applicable Business Day of sale, with the same effect as though such representations and warranties had been made on such date;

(b) All information concerning the Receivables provided to the Purchaser shall be true and correct in all material respects as of the Closing Date, in the case of any Receivables sold on the Closing Date, or the date such Receivables are created, in the case of any Receivables created after the Closing Date and sold by the Sellers to the Purchaser on a subsequent Business Day;

(c) Each of the Sellers shall have substantially performed all other obligations required to be performed by the provisions of this Agreement and the other Transaction Documents to which it is a party;

(d) The Sellers shall have either filed or caused to be filed the financing statement(s) required to be filed pursuant to Section 2.01(b);

(e) On the Closing Date, all corporate and legal proceedings, and all instruments in connection with the transactions contemplated by this Agreement and the other Transaction Documents shall be satisfactory in form and substance to the Purchaser, and the Purchaser shall have received from the Sellers copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as the Purchaser may reasonably have requested;

(f) On the Closing Date, the Sellers shall deliver to the Purchaser and the Administrative Agent a statement of the aggregate Outstanding Balance of the Receivables in existence as of the close of business on the second Business Day prior to the Closing Date; and

(g) the Purchase Termination Date shall not have occurred.

Section 7.02 Conditions Precedent to the Addition of a Seller . The obligation of the Purchaser to purchase Receivables and Related Security hereunder from a Subsidiary of Tyson requested to be an additional Seller pursuant to Section 9.13 is subject to the conditions precedent that the Purchaser shall have received the following items on or before the date designated for the addition of such Seller (the "Seller Addition Date") and in form and substance satisfactory to the Purchaser:

(a) Additional Seller Supplement . An Additional Seller Supplement substantially in the form of Exhibit B attached hereto (with a copy for the Administrative Agent and each Funding Agent) duly executed and delivered by such Seller;

(b) Secretary's Certificate . A certificate of the Secretary or an Assistant Secretary of such Seller, dated the related Seller Addition Date, and certifying (i) that attached thereto is a true and complete copy of the by-laws (or similar organizational documents) of such Seller, as in effect on the Seller Addition Date and at all times since a date prior to the date of the resolutions described in clause (ii) below, (ii) that attached thereto is a true and complete copy of the resolutions, in form and substance reasonably satisfactory to the Purchaser, of the Board of Directors (or other governing body or Person) of such Seller or committees thereof authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated hereby and thereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, (iii) that the articles of incorporation (or similar organizational documents) of such Seller have not been amended since the date of the last amendment thereto shown on the certificate of good standing (or its equivalent) furnished pursuant to subsection (e) below and (iv) as to the incumbency and specimen signature of each officer executing the Additional Seller Supplement and any other Transaction Documents or any other document delivered in connection therewith on behalf of such Seller (on which certificates the Purchaser may conclusively rely until such time as the Purchaser shall receive from such Seller a revised certificate with respect to such Seller meeting the requirements of this subsection (b));

(c) Officer's Certificate . A Certificate of a Responsible Officer of Tyson, dated the related Seller Addition Date, and certifying such Seller is in the same or a related line of business as the existing Sellers as of the related Seller Addition Date;

(d) Corporate Documents . The organizational documents, including all amendments thereto, of such Seller, certified as of a recent date by the Secretary of State or other appropriate authority of the state of incorporation, as the case may be;

(e) Good Standing Certificates . Certificates of compliance, of status or of good standing, dated as of a recent date, from the Secretary of State or other appropriate authority of such jurisdiction, with respect to such Seller in each State where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation, except where the failure to so qualify would not have a Material Adverse Effect;

(f) Consents, Licenses, Approvals, Etc . A certificate dated the related Seller Addition Date of a Responsible Officer of such Seller either (i) attaching copies of all consents (including, without limitation, consents under loan agreements and indentures to which any Seller or its Affiliates are parties), licenses and approvals required in connection with the execution, delivery and performance by such Seller of the Additional Seller Supplement and the validity and enforceability of the Additional Seller Supplement against such Seller, and such consents, licenses and approvals shall be in full force and effect or (ii) stating that no such consents, licenses and approvals are so required;

(g) No Litigation . Confirmation that there is no pending or, to its knowledge after due inquiry, threatened action or proceeding affecting such Seller or any of its Subsidiaries before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect;

(h) Lockboxes . A Lockbox Account with respect to Receivables to be sold by such Seller shall have been established in the name of the Purchaser, each invoice issued to an Obligor on and after the related Seller Addition Date shall indicate that payments in respect of its Receivable shall be made by such Obligor to a Lockbox Account or by wire transfer or other electronic payment to a Lockbox Account or the Collection Account and the Collection Agent shall have delivered with respect to each Lockbox Account a Lockbox Agreement signed by the Purchaser, the Administrative Agent and the applicable Lockbox Bank;

(i) UCC Certificate; UCC Financing Statements . Executed copies of such proper financing statements (or other similar instruments), filed and recorded at such Seller's expense prior to the related Seller Addition Date, naming such Seller as the seller and the Purchaser as the purchaser of the Receivables and the Related Security, in proper form for filing in each jurisdiction in which the Purchaser (or any of its assignees) deems it necessary or desirable to perfect the Purchaser's ownership interest in all Receivables and Related Security under the UCC or any comparable law of such jurisdiction;

(j) UCC Searches. Written search reports, listing all effective financing statements (or other similar instruments) that name such Seller as debtor or assignor and that are filed in the jurisdictions in which filings were made pursuant to subsection (i) above and in any other jurisdictions that the Purchaser (or any of its assignees) determines are necessary or appropriate, together with copies of such financing statements (none of which, except for those described in subsection (i) above, shall cover any Receivables or Related Security), and tax and judgment lien searches showing no liens that are not permitted by the Transaction Documents;

(k) List of Obligors. A microfiche, typed or printed list or other tangible evidence reasonably acceptable to the Purchaser showing, as of a date acceptable to the Purchaser prior to the related Seller Addition Date, the Obligors whose Receivables are to be transferred to the Purchaser and the balance of the Receivables with respect to each such Obligor as of such date;

(l) Back-up Servicing Arrangements. Evidence that such Seller maintains disaster recovery systems or back-up computer or other information management systems that, in the Purchaser's, the Administrative Agent's and each Funding Agent's reasonable judgment, are sufficient to protect such Seller's business against material interruption or loss or destruction of its primary computer and information management systems;

(m) Systems. Evidence, reasonably satisfactory to the Purchaser, the Administrative Agent and each Funding Agent, that such additional Seller's systems, procedures and record keeping relating to the Receivables remain in all material respects sufficient and satisfactory in order to permit the purchase and administration of the Receivables in accordance with the terms and intent of this Agreement;

(n) Opinions. The Purchaser shall have received (i) legal opinions on behalf of such Seller as to general corporate matters (including an opinion as to the perfection and priority of the Purchaser's interest in the Receivables) and (ii) a certificate from a Responsible Officer of such Seller stating that the Specified Bankruptcy Opinion Provisions are also true and correct as to such Seller as of the Seller Addition Date, all in form and substance reasonably satisfactory to the Administrative Agent and the Funding Agents; and

(o) Other. Such other approvals or documents as the Purchaser (or any of its assignees) may reasonably request from such additional Seller, including, but not limited to, a pro-forma Weekly Report and Settlement Statement incorporating the receivables data of such additional Seller.

ARTICLE VIII

Term and Termination

Section 8.01 Term. This Agreement shall commence as of the first day on which all of the conditions precedent as set out in Section 7.01 have been satisfied and shall continue in full force and effect until the earlier of (i) the date designated by the Purchaser or the Sellers as the Purchase Termination Date at any time following ten (10) days' written notice to the other (with a copy thereof to the Administrative Agent), (ii) the date on which the Administrative Agent, on behalf of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers, declares a Termination Event pursuant to the Receivables Transfer Agreement, (iii) upon the occurrence of an Event of Bankruptcy with respect to either the Purchaser or any of the Sellers or (iv) the date on which either the Purchaser or any of the Sellers becomes unable for any reason to purchase or repurchase, respectively, any Receivable in accordance with the provisions of this Agreement or defaults on its obligations hereunder, which default continues unremedied for more than ten (10) days after written notice to the defaulting party (any such date being a "Purchase Termination Date"); provided, however, that the termination of this Agreement pursuant to this Section 8.01 hereof shall not discharge any Person from any obligations incurred prior to such termination or any obligations under Articles V or VI with respect to Receivables arising prior to such termination, including, without limitation, any obligations to make any payments with respect to any Receivable sold prior to such termination.

Section 8.02 Effect of Termination. Following the termination of this Agreement pursuant to Section 8.01, the Sellers shall not sell, and the Purchaser shall not purchase, any Receivables. No termination, rejection or failure to assume the executory obligations of this Agreement in any Event of Bankruptcy with respect to the Sellers or the Purchaser shall be deemed to impair or affect the obligations pertaining to any executed sale or executed obligations, including, without limitation, pre-termination breaches of representations and warranties by the Sellers or the Purchaser. Without limiting the foregoing, prior to termination, the failure of the Sellers to deliver computer records of Receivables or any reports regarding the Receivables shall not render such transfer or obligation executory, nor shall the continued duties of the parties pursuant to this Agreement render an executed sale executory.

Section 8.03 Termination of Sellers and Seller Divisions. (a) Tyson hereby covenants and agrees with the Purchaser that Tyson shall not permit any Seller at any time to cease to be a wholly-owned Subsidiary of Tyson, except as provided in the following paragraph (b).

(b) If Tyson wishes to permit any Seller to cease to be a wholly-owned Subsidiary of Tyson or terminate the sales of Receivables hereunder by any Seller or Seller Division, then Tyson shall submit a request (a "Seller Termination Request") to such effect in writing to the Purchaser, which request shall be accompanied by a certificate prepared by a Responsible Officer of the Collection Agent indicating the Purchased Receivables Percentage applicable to such Seller (or Seller Division) as of the date of submission of such request (the "Seller Termination Request Date"). Subject to the terms and provisions hereof and of the Receivables Transfer Agreement, the relevant Seller (or Seller Division) shall be terminated as a Seller (or Seller Division) hereunder immediately upon the consummation of the transaction in connection with which such Seller ceases to be a wholly-owned Subsidiary of Tyson or in the case of a Seller Division upon the satisfaction of any applicable conditions in the Receivables Transfer Agreement. From and after the date any such Seller (or Seller Division) is terminated as a Seller (or Seller Division) pursuant to this subsection, the Seller (or Seller Division) shall cease selling, and the Purchaser shall cease buying, Receivables and Related Security from such Seller (or Seller Division) and a Purchase Termination Date shall be deemed to have occurred, but only with respect to such Seller (or Seller Division).

(c) A terminated Seller (or Seller Division) shall have no further obligation under any Transaction Document, other than pursuant to Sections 5.01(q), 6.01 and 6.02 of this Agreement, with respect to Receivables previously sold by it to the Purchaser.

ARTICLE IX

Miscellaneous Provisions

Section 9.01 Amendments, Etc . This Agreement and the rights and obligations of the parties hereunder may not be amended, supplemented, waived or otherwise modified and no consent to any such amendment, supplement, waiver or modification may be given except in an instrument in writing signed by the Purchaser and the Sellers and consented to in writing by the Administrative Agent (with the consent of the Required Committed Purchasers). Any reconveyance executed in accordance with Section 5.01(q), 6.01 or 6.02 hereof shall not be considered an amendment or modification to this Agreement.

Section 9.02 Governing Law; Submission to Jurisdiction .

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York except to the extent that the validity or perfection of the Purchaser's ownership of or security interest in the Receivables, or remedies hereunder in respect thereof, are governed by the laws of a jurisdiction other than the State of New York.

(b) The parties hereto hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in The City of New York for purposes of all legal proceedings arising out of or relating to this agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Nothing in this Section 9.02 shall affect the right of the Purchaser to bring any other action or proceeding against any of the Sellers or its property in the courts of other jurisdictions.

Section 9.03 Notices . (a) All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, return receipt requested, or telecopied to:

(a) in the case of the Purchaser:

Tyson Receivables Corporation
c/o Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: Treasurer
Telephone: 501-290-4194
Telecopy: 501-290-4061

with a copy to:

Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telephone: 501-290-7023
Telecopy: 501-290-7967

(b) in the case of the Sellers to the address set forth on Schedule I, with a copy to:

Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telephone: 501-290-7023
Telecopy: 501-290-7967

and

The Chase Manhattan Bank, as Administrative Agent
450 West 33 Street
15th Floor
New York, NY 10001
Attention: Lara Graff
Telephone: (212) 946-3748
Telecopy: (212) 946-8098

or, as to each party, at such other address as shall be designated by such party in a written notice to each other party.

(b) Notices and communications by facsimile shall be effective upon receipt.

Section 9.04 Severability of Provisions . If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 9.05 Assignment . This Agreement may not be assigned by the parties hereto, except that the Purchaser may assign its rights hereunder pursuant to the Receivables Transfer Agreement to the Administrative Agent for the benefit of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers as security for the Purchaser's repayment obligations under the Receivables Transfer Agreement and the Asset Purchase Agreement. The Purchaser hereby notifies the Sellers, and the Sellers hereby acknowledge and agree, that the Purchaser, pursuant to the Receivables Transfer Agreement, has assigned its rights (but not its obligations) hereunder to the Administrative Agent for the benefit of the CP Conduit Purchasers and the Committed Purchasers and that the representations, warranties, covenants and agreements of the Sellers contained in this Agreement and the rights, powers and remedies of the Purchaser under this Agreement are intended to benefit the CP Conduit Purchasers and the Committed Purchasers and will be directly enforceable by the Administrative Agent on their behalf. All rights, powers and remedies of the Purchaser hereunder may be exercised by the Administrative Agent to the extent of its rights hereunder and under the other Transaction Documents.

Section 9.06 Further Assurances . The Purchaser and the Sellers agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other party more fully to effect the purposes of this Agreement and the other Transaction Documents, including, without limitation, the execution of any financing statements or continuation statements or equivalent documents relating to the Receivables for filing under the provisions of the Relevant UCC or other laws of any applicable jurisdiction.

Section 9.07 No Waiver; Cumulative Remedies . No failure to exercise and no delay in exercising, on the part of the Purchaser, the Sellers or the Administrative Agent, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privilege provided by law.

Section 9.08 Counterparts . (a) This Agreement may be executed in two or more counterparts thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

(b) Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.09 Binding Effect; Third-Party Beneficiaries . This Agreement and the other Transaction Documents will inure to the benefit of and be binding upon the parties hereto and their respective successors, transferees and permitted

assigns. The CP Conduit Purchasers, the Funding Agents, Committed Purchasers and the Administrative Agent are each intended by the parties hereto to be third-party beneficiaries of this Agreement.

Section 9.10 Merger and Integration . Except as specifically stated otherwise herein, this Agreement and the other Transaction Documents set forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement and the other Transaction Documents.

Section 9.11 Headings . The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 9.12 Exhibits . The schedules and exhibits referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 9.13 Addition of Sellers . Subject to the terms and conditions hereof, from time to time one or more wholly-owned direct or indirect Subsidiaries of Tyson may become additional Seller parties hereto. If any such Subsidiary wishes to become an additional Seller, Tyson shall submit a request to such effect in writing to the Purchaser, the Administrative Agent, the Funding Agents and each Rating Agency. If Tyson, the Purchaser, the Administrative Agent, each Funding Agent and each Rating Agency shall have agreed to any such request (such consent not to be unreasonably withheld or delayed from the date such request is received and such consent of each Funding Agent being obtained by the Administrative Agent), such whollyowned Subsidiary shall become an additional Seller party hereto on the related Seller Addition Date upon satisfaction of the conditions set forth in Section 7.02.

Section 9.14 Confidentiality . (a) Each of Tyson, the Sellers and the Purchaser shall maintain, and shall cause each officer, employee and agent of itself and its Affiliates to maintain, the confidentiality of this Agreement, the other Transaction Documents and all other confidential proprietary information with respect to the other parties and each of their respective businesses obtained by them in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other Transaction Documents, except for information that has become publicly available or information disclosed (i) to legal counsel, accountants and other professional advisors to the parties and their Affiliates, (ii) as required by law, regulation or legal process (including in connection with any registration Statement or other filing made with the SEC); or (iii) in connection with any legal or regulatory proceeding to which the parties or any of their Affiliates is subject. Each of the parties hereby consents to the disclosure of any nonpublic information with respect to it received by any CP Conduit Purchaser, any Committed Purchaser, any Funding Agent or the Administrative Agent to (i) any of the CP Conduit Purchasers, Committed Purchasers, Funding Agents or the Administrative Agent, (ii) any nationally recognized rating agency providing a rating or proposing to provide a rating to the CP Conduit Purchasers' Commercial Paper, (iii) any placement agent which proposes to offer and sell the CP Conduit Purchasers' Commercial Paper, (iv) any provider of the CP Conduit Purchasers' program-wide liquidity or credit support facilities, (v) any potential Committed Purchaser or (vi) any Participant or potential Participant; provided, however, that no disclosure shall be made pursuant to clause (iv), (v) or (vi) unless the potential recipient of such information shall have entered into a confidentiality undertaking satisfactory to the Transferor and the Administrative Agent.

(b) Each of the parties hereto shall maintain, and shall cause each officer, employee and agent of itself and its Affiliates to maintain, the confidentiality of the Transaction Documents and all other confidential proprietary information with respect to the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent and each of their respective businesses obtained by them in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other Transaction Documents, except for information that has become publicly available or information disclosed (i) to legal counsel, accountants and other professional advisors to the parties and their Affiliates, (ii) as required by law, regulation or legal process (including in connection with any registration Statement or other filing made with the SEC) or (iii) in connection with any legal or regulatory proceeding to which the parties or any of their Affiliates is subject.

Section 9.15 No Bankruptcy Petition Against the Purchaser . Each of Tyson, the Collection Agent, each Seller and the Guarantor hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper or other indebtedness of the CP Conduit Purchasers, it will not institute against, or join any other Person in instituting against, the Purchaser any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

Section 9.16 Waiver of Jury Trial . Each of the parties hereto hereby waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise among any of them arising out of, connected with, relating to or incidental to the relationship between them in connection with this Agreement or the other Transaction Documents.

IN WITNESS WHEREOF, the Purchaser and the Sellers each have caused this Receivables Purchase Agreement to be duly executed by their respective officers as of the day and year first above written.

TYSON FOODS, INC.

By: _____

Name: Steve Hankins
Title: Executive Vice President and
Chief Financial Officer

As Purchaser:

TYSON RECEIVABLES CORPORATION

By: _____

Name: Steve Hankins
Title: Executive Vice President and
Chief Financial Officer

As Sellers:

TYSON FOODS, INC.
TYSON MEXICAN ORIGINAL, INC.
TYSON SALES AND DISTRIBUTION, INC.
WORLD RESOURCE, INC.
CONTINENTAL DELI FOODS, INC.
DFG FOODS, L.L.C.
DOSKOCIL FOOD SERVICE COMPANY, L.L.C.
IBP, INC.
IOWA HAM CANNING, INC.
JAC PAC FOODS LTD.
SPECIALTY BRANDS, INC.
SUPREME PROCESSED FOODS, INC.
THE BRUSS COMPANY
THE IBP FOODS CO.
ZEMCO INDUSTRIES, INC.

By: _____

Name: Dennis Leatherby
Title: Treasurer

INTERNATIONAL TRADING COMPANY,
LTD., by Houston Processing II, Inc., its general
partner

By: _____
Dennis Leatherby, Treasurer
Houston Processing II, Inc.

KPR HOLDINGS, L.P., by Jos. Copperfield &
Sons, Inc., its general partner

By: _____
Dennis Leatherby, Treasurer
Jos. Copperfield & Sons, Inc.

TNT CRUST, LIMITED PARTNERSHIP, by
Dorskocil Food Service Company, L.L.C., its
general partner

By: _____
Dennis Leatherby, Treasurer
Dorskocil Food Service Company, L.L.C.

WRIGHT BRAND FOODS, LTD., by KH General,
Inc., its general partner

By: _____
Dennis Leatherby, Treasurer
KH General, Inc.

Acknowledged and agreed as
of the date first above written:

THE CHASE MANHATTAN BANK, as Administrative Agent
for the benefit of the several CP Conduit Purchasers, Funding Agents and the Committed

Purchasers

By: _____
Name: Lara Graff
Title: Vice President

EXHIBIT A

FORM OF SUBORDINATED NOTE

_____, 2001

FOR VALUE RECEIVED, the undersigned, TYSON RECEIVABLES CORPORATION, a Delaware corporation (the "Maker"), hereby promises to pay to the order of Tyson Foods, Inc., a Delaware corporation (the "Payee"), as Agent for the Sellers under the Receivables Purchase Agreement referred to below, on _____, ____ or earlier as provided for in the Receivables Purchase Agreement dated as of the date hereof between the Maker, the Payee and the Sellers (as such agreement may from time to time be amended, supplemented or otherwise modified and in effect, the "Receivables Purchase Agreement"), the aggregate unpaid principal amount of all Advances to the Maker from the Sellers pursuant to the terms of the Receivables Purchase Agreement, in lawful money of the United States of America in immediately available funds, and to pay interest from the date thereof on the principal amount hereof from the date of this Note continuing until such principal balance shall be paid in full, in like funds, at an office designated by the Payee. Accrued and unpaid interest shall be payable in arrears on the last Business Day of each calendar month (each day, an "Interest Payment Date").

Interest shall be payable at the initial rate of 8.50% per annum, adjusted monthly on each Interest Payment Date, for the month following such Interest Payment Date, to the sum of Prime Rate then in effect plus 2.00%. With respect to any Interest Payment Date, the "Prime Rate" shall be the prime rate as reported in The Wall Street Journal on such Interest Payment Date (or, if The Wall Street Journal is not published on such Interest Payment Date, the Business Day next succeeding such Interest Payment Date on which The Wall Street Journal is published.) If The Wall Street Journal shall no longer be published or if it shall cease to report a prime rate, the "Prime Rate" shall be the rate publicly announced by The Chase Manhattan Bank, New York Branch, on such Interest Payment Date as its base commercial lending rate. If any Interest Payment Date shall not be a Business Day, then such Interest Payment Date shall be deemed to occur on the next following Business Day, but no additional interest shall be payable. A "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are required or authorized by law to be closed.

The undersigned, for itself and its legal representatives, successors and assigns, and any others who may at any time become liable for payment hereunder, hereby (a) consents to any and all extensions of time, renewals, waivers, or modifications, if any, that may be granted or consented to by the Payee with regard to the time of payment hereunder or any other provisions hereof.

The Maker hereby waives diligence, presentment, demand, protest, notice of dishonor and notice of nonpayment. The non-exercise by the holder hereof of any of its rights, powers or remedies hereunder or thereafter available in law, in equity, by statute or otherwise in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

All borrowings evidenced by this Subordinated Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on the schedule attached hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder in its internal records; provided, however, that the failure of the holder hereof to make such a notation or any error in such a notation shall not in any manner affect the obligation of the Maker to make payments of principal and interest in accordance with the terms of this Subordinated Note and the Receivables Purchase Agreement.

The Maker shall have the right, subject to the limitations set forth in the Receivables Purchase Agreement, to reborrow Advances made to it without penalty or premium.

This Note may be prepaid in full, or from time to time in part, at any time. All payments received under this Note shall be applied first to accrued interest and the remainder, if any, to the principal amount hereunder.

This Subordinated Note is the Subordinated Note referred to in the Receivables Purchase Agreement, which, among other things, contains provisions for the subordination of this Subordinated Note to the rights of certain parties under the Receivables Transfer Agreement, all upon the terms and conditions specified therein and as specified on Schedule II to this Subordinated Note. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in, or incorporated by reference into, the Receivables Purchase Agreement.

This Subordinated Note shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Maker has caused this Note to be signed in its corporate name by the officer thereunto duly authorized, and to be dated as of the date first above written.

TYSON RECEIVABLES CORPORATION

By: _____
Name:
Title:

(a) **Breach of Representation or Warranty.** If any Receivable which has been sold by any Seller hereunder and which has been reported by such Seller as an Eligible Receivable to the Collection Agent in the reports of such Seller delivered pursuant to Section 3.03 shall have failed to meet the conditions set forth in the definition of Eligible Receivable on the date of such report or if, on any day, any representation or warranty made herein in respect of such Receivable shall no longer be true in any material respect, such Seller shall be deemed to have received on the date of such report or such day, as applicable, a Collection of such Receivable in full and shall on such day pay to the Purchaser an amount equal to the aggregate Outstanding Balance of such Receivable.

(b) **Reconveyance Under Certain Circumstances.** Each Seller agrees that, in the event of a breach of any of the representations and warranties set forth in Sections 4.01(d), (h), (j), (k), (l), (n), (o), and (p), with respect to any Receivable which has been sold hereunder, such Seller agrees to accept the reconveyance of such Receivable upon receipt by such Seller of notice given in writing by the Purchaser and such Seller's failure to cure such breach within fifteen (15) days (or, in the case of Section 4.01(d) or (k), within one (1) Business Day) after receipt of such notice. In the event of a reconveyance under this Section 6.01(b), the Seller shall pay to the Purchaser in immediately available funds on such 15th day (or such Business Day, if applicable) an amount equal to the Outstanding Balance of any such Receivable.

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Section 6.02 Dilutions, Etc. Each Seller agrees that if on any Business Day the Outstanding Balance of a Receivable, an interest in which has been sold by such Seller hereunder, is either (x) reduced as a result of defective, rejected or returned goods or other dilution factor, any billing adjustment or other adjustment, or (y) reduced or canceled as a result of (i) a setoff or dispute in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction), or (ii) any action by any Federal or state taxing authority or as a result of the payment by any Obligor of any portion of a Receivable constituting a tax or governmental fee or charge to any Person other than the Purchaser, then such Seller shall be deemed to have received on such day a collection of such Receivable in the amount of such reduction, cancellation or payment made by the Obligor and shall on such day pay to the Purchaser an amount equal to such reduction or cancellation on the last Business Day of the calendar month in which such reduction or cancellation occurred.

ARTICLE VII

Conditions Precedent

Section 7.01 Conditions Precedent. The obligations of the Purchaser to purchase the Receivables on the Closing Date and on any Business Day on which Receivables are sold hereunder shall be subject to the satisfaction of the following conditions:

(a) All representations and warranties of the Sellers contained in this Agreement shall be true and correct on the Closing Date and on the applicable Business Day of sale, with the same effect as though such representations and warranties had been made on such date;

(b) All information concerning the Receivables provided to the Purchaser shall be true and correct in all material respects as of the Closing Date, in the case of any Receivables sold on the Closing Date, or the date such Receivables are created, in the case of any Receivables created after the Closing Date and sold by the Sellers to the Purchaser on a subsequent Business Day;

(c) Each of the Sellers shall have substantially performed all other obligations required to be performed by the provisions of this Agreement and the other Transaction Documents to which it is a party;

(d) The Sellers shall have either filed or caused to be filed the financing statement(s) required to be filed pursuant to Section 2.01 (b);

(e) On the Closing Date, all corporate and legal proceedings, and all instruments in connection with the transactions contemplated by this Agreement and the other Transaction Documents shall be satisfactory in form and substance to the Purchaser, and the Purchaser shall have received from the Sellers copies of all documents (including, without limitation, records of corporate proceedings) relevant to the transactions herein contemplated as the Purchaser may reasonably have requested;

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(f) On the Closing Date, the Sellers shall deliver to the Purchaser and the Administrative Agent a statement of the aggregate Outstanding Balance of the Receivables in existence as of the close of business on the second Business Day prior to the Closing Date; and

(g) the Purchase Termination Date shall not have occurred.

Section 7.02 Conditions Precedent to the Addition of a Seller . The obligation of the Purchaser to purchase Receivables and Related Security hereunder from a Subsidiary of Tyson requested to be an additional Seller pursuant to Section 9.13 is subject to the conditions precedent that the Purchaser shall have received the following items on or before the date designated for the addition of such Seller (the "Seller Addition Date") and in form and substance satisfactory to the Purchaser:

(a) Additional Seller Supplement . An Additional Seller Supplement substantially in the form of Exhibit B attached hereto (with a copy for the Administrative Agent and each Funding Agent) duly executed and delivered by such Seller;

(b) Secretary's Certificate . A certificate of the Secretary or an Assistant Secretary of such Seller, dated the related Seller Addition Date, and certifying (i) that attached thereto is a true and complete copy of the by-laws (or similar organizational documents) of such Seller, as in effect on the Seller Addition Date and at all times since a date prior to the date of the resolutions described in clause (ii) below, (ii) that attached thereto is a true and complete copy of the resolutions, in form and substance reasonably satisfactory to the Purchaser, of the Board of Directors (or other governing body or Person) of such Seller or committees thereof authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated hereby and thereby, and that such resolutions have not been amended, modified, revoked or rescinded and are in full force and effect, (iii) that the articles of incorporation (or similar organizational documents) of such Seller have not been amended since the date of the last amendment thereto shown on the certificate of good standing (or its equivalent) furnished pursuant to subsection (e) below and (iv) as to the incumbency and specimen signature of each officer executing the Additional Seller Supplement and any other Transaction Documents or any other document delivered in connection therewith on behalf of such Seller (on which certificates the Purchaser may conclusively rely until such time as the Purchaser shall receive from such Seller a revised certificate with respect to such Seller meeting the requirements of this subsection (b));

(c) Officer's Certificate . A Certificate of a Responsible Officer of Tyson, dated the related Seller Addition Date, and certifying such Seller is in the same or a related line of business as the existing Sellers as of the related Seller Addition Date;

(d) Corporate Documents . The organizational documents, including all amendments thereto, of such Seller, certified as of a recent date by the Secretary of State or other appropriate authority of the state of incorporation, as the case may be;

(e) Good Standing Certificates . Certificates of compliance, of status or of good standing, dated as of a recent date, from the Secretary of State or other appropriate authority of such jurisdiction, with respect to such Seller in each State where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation, except where the failure to so qualify would not have a Material Adverse Effect;

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(f) Consents, Licenses, Approvals, Etc . A certificate dated the related Seller Addition Date of a Responsible Officer of such Seller either (i) attaching copies of all consents (including, without limitation, consents under loan agreements and indentures to which any Seller or its Affiliates are parties), licenses and approvals required in connection with the execution, delivery and performance by such Seller of the Additional Seller Supplement and the validity and enforceability of the Additional Seller Supplement against such Seller, and such consents, licenses and approvals shall be in full force and effect or (ii) stating that no such consents, licenses and approvals are so required;

(g) No Litigation . Confirmation that there is no pending or, to its knowledge after due inquiry, threatened action or proceeding affecting such Seller or any of its Subsidiaries before any Governmental Authority that could reasonably be expected to have a Material Adverse Effect;

(h) Lockboxes. A Lockbox Account with respect to Receivables to be sold by such Seller shall have been established in the name of the Purchaser, each invoice issued to an Obligor on and after the related Seller Addition Date shall indicate that payments in respect of its Receivable shall be made by such Obligor to a Lockbox Account or by wire transfer or other electronic payment to a Lockbox Account or the Collection Account and the Collection Agent shall have delivered with respect to each Lockbox Account a Lockbox Agreement signed by the Purchaser, the Administrative Agent and the applicable Lockbox Bank;

(i) UCC Certificate; UCC Financing Statements. Executed copies of such proper financing statements (or other similar instruments), filed and recorded at such Seller's expense prior to the related Seller Addition Date, naming such Seller as the seller and the Purchaser as the purchaser of the Receivables and the Related Security, in proper form for filing in each jurisdiction in which the Purchaser (or any of its assignees) deems it necessary or desirable to perfect the Purchaser's ownership interest in all Receivables and Related Security under the UCC or any comparable law of such jurisdiction;

(j) UCC Searches. Written search reports, listing all effective financing statements (or other similar instruments) that name such Seller as debtor or assignor and that are filed in the jurisdictions in which filings were made pursuant to subsection (i) above and in any other jurisdictions that the Purchaser (or any of its assignees) determines are necessary or appropriate, together with copies of such financing statements (none of which, except for those described in subsection (i) above, shall cover any Receivables or Related Security), and tax and judgment lien searches showing no liens that are not permitted by the Transaction Documents;

(k) List of Obligors. A microfiche, typed or printed list or other tangible evidence reasonably acceptable to the Purchaser showing, as of a date acceptable to the Purchaser prior to the related Seller Addition Date, the Obligors whose Receivables are to be transferred to the Purchaser and the balance of the Receivables with respect to each such Obligor as of such date;

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(l) Back-up Servicing Arrangements. Evidence that such Seller maintains disaster recovery systems or back-up computer or other information management systems that, in the Purchaser's, the Administrative Agent's and each Funding Agent's reasonable judgment, are sufficient to protect such Seller's business against material interruption or loss or destruction of its primary computer and information management systems;

(m) Systems. Evidence, reasonably satisfactory to the Purchaser, the Administrative Agent and each Funding Agent, that such additional Seller's systems, procedures and record keeping relating to the Receivables remain in all material respects sufficient and satisfactory in order to permit the purchase and administration of the Receivables in accordance with the terms and intent of this Agreement;

(n) Opinions. The Purchaser shall have received (i) legal opinions on behalf of such Seller as to general corporate matters (including an opinion as to the perfection and priority of the Purchaser's interest in the Receivables) and (ii) a certificate from a Responsible Officer of such Seller stating that the Specified Bankruptcy Opinion Provisions are also true and correct as to such Seller as of the Seller Addition Date, all in form and substance reasonably satisfactory to the Administrative Agent and the Funding Agents; and

(o) Other. Such other approvals or documents as the Purchaser (or any of its assignees) may reasonably request from such additional Seller, including, but not limited to, a pro-forma Weekly Report and Settlement Statement incorporating the receivables data of such additional Seller.

ARTICLE VIII

Term and Termination

Section 8.01 Term. This Agreement shall commence as of the first day on which all of the conditions precedent as set out in Section 7.01 have been satisfied and shall continue in full force and effect until the earlier of (i) the date designated by the Purchaser or the Sellers as the Purchase Termination Date at any time following ten (10) days' written notice to the other (with a copy thereof to the Administrative Agent), (ii) the date on which the Administrative Agent, on behalf of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers, declares a Termination Event pursuant to the Receivables Transfer Agreement, (iii) upon the occurrence of an Event of Bankruptcy with respect to either the Purchaser or any of the Sellers or (iv) the date on which either the Purchaser or any of the Sellers becomes unable for any reason to purchase or repurchase, respectively, any Receivable in accordance with the provisions of this Agreement or defaults on its obligations hereunder, which default continues unremedied for more than ten (10) days after written notice to the defaulting party (any such date being a "Purchase Termination Date"); provided, however, that the termination of this Agreement pursuant to this Section 8.01 hereof shall not discharge any Person from any obligations incurred prior to such termination or any obligations under Articles V or VI with respect to Receivables arising prior to such termination, including, without limitation, any obligations to make any payments with respect to any Receivable sold prior to such termination.

Section 8.02 Effect of Termination . Following the termination of this Agreement pursuant to Section 8.01, the Sellers shall not sell, and the Purchaser shall not purchase, any Receivables. No termination, rejection or failure to assume the executory obligations of this Agreement in any Event of Bankruptcy with respect to the Sellers or the Purchaser shall be deemed to impair or affect the obligations pertaining to any executed sale or executed obligations, including, without limitation, pre-termination breaches of representations and warranties by the Sellers or the Purchaser. Without limiting the foregoing, prior to termination, the failure of the Sellers to deliver computer records of Receivables or any reports regarding the Receivables shall not render such transfer or obligation executory, nor shall the continued duties of the parties pursuant to this Agreement render an executed sale executory.

Section 8.03 Termination of Sellers and Seller Divisions . (a) Tyson hereby covenants and agrees with the Purchaser that Tyson shall not permit any Seller at any time to cease to be a wholly-owned Subsidiary of Tyson, except as provided in the following paragraph (b).

(b) If Tyson wishes to permit any Seller to cease to be a wholly-owned Subsidiary of Tyson or terminate the sales of Receivables hereunder by any Seller or Seller Division, then Tyson shall submit a request (a "Seller Termination Request") to such effect in writing to the Purchaser, which request shall be accompanied by a certificate prepared by a Responsible Officer of the Collection Agent indicating the Purchased Receivables Percentage applicable to such Seller (or Seller Division) as of the date of submission of such request (the "Seller Termination Request Date"). Subject to the terms and provisions hereof and of the Receivables Transfer Agreement, the relevant Seller (or Seller Division) shall be terminated as a Seller (or Seller Division) hereunder immediately upon the consummation of the transaction in connection with which such Seller ceases to be a wholly-owned Subsidiary of Tyson or in the case of a Seller Division upon the satisfaction of any applicable conditions in the Receivables Transfer Agreement. From and after the date any such Seller (or Seller Division) is terminated as a Seller (or Seller Division) pursuant to this subsection, the Seller (or Seller Division) shall cease selling, and the Purchaser shall cease buying, Receivables and Related Security from such Seller (or Seller Division) and a Purchase Termination Date shall be deemed to have occurred, but only with respect to such Seller (or Seller Division).

(c) A terminated Seller (or Seller Division) shall have no further obligation under any Transaction Document, other than pursuant to Sections 5.01(q), 6.01 and 6.02 of this Agreement, with respect to Receivables previously sold by it to the Purchaser.

ARTICLE IX

Miscellaneous Provisions

Section 9.01 Amendments, Etc . This Agreement and the rights and obligations of the parties hereunder may not be amended, supplemented, waived or otherwise modified and no consent to any such amendment, supplement, waiver or modification may be given except in an instrument in writing signed by the Purchaser and the Sellers and consented to in writing by the Administrative Agent (with the consent of the Required Committed Purchasers). Any reconveyance executed in accordance with Section 5.01(q), 6.01 or 6.02 hereof shall not be considered an amendment or modification to this Agreement.

Section 9.02 Governing Law; Submission to Jurisdiction .

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York except to the extent that the validity or perfection of the Purchaser's ownership of or security interest in the Receivables, or remedies hereunder in respect thereof, are governed by the laws of a jurisdiction other than the State of New York.

(b) The parties hereto hereby submit to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in The City of New York for purposes of all legal proceedings arising out of or relating to this agreement or the transactions contemplated hereby. Each party hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Nothing in this Section 9.02 shall affect the right of the Purchaser to bring any other action or proceeding against any of the Sellers or its property in the courts of other jurisdictions.

Section 9.03 Notices . (a) All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, return receipt requested, or telecopied to:

(a) in the case of the Purchaser:

Tyson Receivables Corporation
c/o Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: Treasurer
Telephone: 501-290-4194
Telecopy: 501-290-4061

with a copy to:

Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telephone: 501-290-7023
Telecopy: 501-290-7967

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(b) in the case of the Sellers to the address set forth on Schedule I, with a copy to:

Tyson Foods, Inc.
2210 Oaklawn Drive
Springdale, AR 72762
Attention: General Counsel
Telephone: 501-290-7023
Telecopy: 501-290-7967

and

The Chase Manhattan Bank, as Administrative Agent
450 West 33 Street
15th Floor
New York, NY 10001
Attention: Lara Graff
Telephone: (212) 946-3748
Telecopy: (212) 946-8098

or, as to each party, at such other address as shall be designated by such party in a written notice to each other party.

(b) Notices and communications by facsimile shall be effective upon receipt.

Section 9.04 Severability of Provisions . If any one or more of the covenants, agreements, provisions or terms of this Agreement shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 9.05 Assignment . This Agreement may not be assigned by the parties hereto, except that the Purchaser may assign its rights hereunder pursuant to the Receivables Transfer Agreement to the Administrative Agent for the benefit of the CP Conduit Purchasers, the Funding Agents and the Committed Purchasers as security for the Purchaser's repayment obligations under the Receivables Transfer Agreement and the Asset Purchase Agreement. The Purchaser hereby notifies the Sellers, and the Sellers hereby acknowledge and agree, that the Purchaser, pursuant to the Receivables Transfer Agreement, has assigned its rights (but not its obligations) hereunder to the Administrative Agent for the benefit of the CP Conduit Purchasers and the Committed Purchasers and that the representations, warranties, covenants and agreements of the Sellers contained in this Agreement and the rights, powers and remedies of the Purchaser under this Agreement are intended

to benefit the CP Conduit Purchasers and the Committed Purchasers and will be directly enforceable by the Administrative Agent on their behalf. All rights, powers and remedies of the Purchaser hereunder may be exercised by the Administrative Agent to the extent of its rights hereunder and under the other Transaction Documents.

Section 9.06 Further Assurances . The Purchaser and the Sellers agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other party more fully to effect the purposes of this Agreement and the other Transaction Documents, including, without limitation, the execution of any financing statements or continuation statements or equivalent documents relating to the Receivables for filing under the provisions of the Relevant UCC or other laws of any applicable jurisdiction.

Section 9.07 No Waiver; Cumulative Remedies . No failure to exercise and no delay in exercising, on the part of the Purchaser, the Sellers or the Administrative Agent, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privilege provided by law.

Section 9.08 Counterparts . (a) This Agreement may be executed in two or more counterparts thereof (and by different parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

(b) Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.09 Binding Effect; Third-Party Beneficiaries . This Agreement and the other Transaction Documents will inure to the benefit of and be binding upon the parties hereto and their respective successors, transferees and permitted assigns. The CP Conduit Purchasers, the Funding Agents, Committed Purchasers and the Administrative Agent are each intended by the parties hereto to be third-party beneficiaries of this Agreement.

Section 9.10 Merger and Integration . Except as specifically stated otherwise herein, this Agreement and the other Transaction Documents set forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement and the other Transaction Documents.

Section 9.11 Headings . The headings herein are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 9.12 Exhibits . The schedules and exhibits referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 9.13 Addition of Sellers . Subject to the terms and conditions hereof, from time to time one or more wholly-owned direct or indirect Subsidiaries of Tyson may become additional Seller parties hereto. If any such Subsidiary wishes to become an additional Seller, Tyson shall submit a request to such effect in writing to the Purchaser, the Administrative Agent, the Funding Agents and each Rating Agency. If Tyson, the Purchaser, the Administrative Agent, each Funding Agent and each Rating Agency shall have agreed to any such request (such consent not to be unreasonably withheld or delayed from the date such request is received and such consent of each Funding Agent being obtained by the Administrative Agent), such whollyowned Subsidiary shall become an additional Seller party hereto on the related Seller Addition Date upon satisfaction of the conditions set forth in Section 7.02.

Section 9.14 Confidentiality . (a) Each of Tyson, the Sellers and the Purchaser shall maintain, and shall cause each officer, employee and agent of itself and its Affiliates to maintain, the confidentiality of this Agreement, the other Transaction Documents and all other confidential proprietary information with respect to the other parties and each of their respective businesses obtained by them in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other Transaction Documents, except for information that has become publicly available or information disclosed (i) to legal counsel, accountants and other professional advisors to the parties and their Affiliates, (ii) as required by law, regulation or legal process (including in connection with any registration Statement or other filing made with the SEC); or (iii) in connection with any legal or regulatory proceeding to which the parties or any of their Affiliates is subject. Each of the parties hereby consents to the disclosure of any nonpublic information with respect to it received by any CP Conduit Purchaser, any Committed Purchaser, any Funding Agent or the Administrative Agent to (i) any of the CP Conduit Purchasers, Committed Purchasers,

Funding Agents or the Administrative Agent, (ii) any nationally recognized rating agency providing a rating or proposing to provide a rating to the CP Conduit Purchasers' Commercial Paper, (iii) any placement agent which proposes to offer and sell the CP Conduit Purchasers' Commercial Paper, (iv) any provider of the CP Conduit Purchasers' program-wide liquidity or credit support facilities, (v) any potential Committed Purchaser or (vi) any Participant or potential Participant; provided, however, that no disclosure shall be made pursuant to clause (iv), (v) or (vi) unless the potential recipient of such information shall have entered into a confidentiality undertaking satisfactory to the Transferor and the Administrative Agent.

(b) Each of the parties hereto shall maintain, and shall cause each officer, employee and agent of itself and its Affiliates to maintain, the confidentiality of the Transaction Documents and all other confidential proprietary information with respect to the CP Conduit Purchasers, the Committed Purchasers, the Funding Agents and the Administrative Agent and each of their respective businesses obtained by them in connection with the structuring, negotiation and execution of the transactions contemplated herein and in the other Transaction Documents, except for information that has become publicly available or information disclosed (i) to legal counsel, accountants and other professional advisors to the parties and their Affiliates, (ii) as required by law, regulation or legal process (including in connection with any registration Statement or other filing made with the SEC) or (iii) in connection with any legal or regulatory proceeding to which the parties or any of their Affiliates is subject.

Section 9.15 No Bankruptcy Petition Against the Purchaser . Each of Tyson, the Collection Agent, each Seller and the Guarantor hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper or other indebtedness of the CP Conduit Purchasers, it will not institute against, or join any other Person in instituting against, the Purchaser any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

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Section 9.16 Waiver of Jury Trial . Each of the parties hereto hereby waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise among any of them arising out of, connected with, relating to or incidental to the relationship between them in connection with this Agreement or the other Transaction Documents.

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IN WITNESS WHEREOF, the Purchaser and the Sellers each have caused this Receivables Purchase Agreement to be duly executed by their respective officers as of the day and year first above written.

TYSON FOODS, INC.

By: _____
Name: Steve Hankins
Title: Executive Vice President and
Chief Financial Officer

As Purchaser:

TYSON RECEIVABLES CORPORATION

By: _____
Name: Steve Hankins
Title: Executive Vice President and
Chief Financial Officer

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As Sellers:

TYSON FOODS, INC.
TYSON MEXICAN ORIGINAL, INC.
TYSON SALES AND DISTRIBUTION, INC.
WORLD RESOURCE, INC.
CONTINENTAL DELI FOODS, INC.
DFG FOODS, L.L.C.
DOSKOCIL FOOD SERVICE COMPANY, L.L.C.
IBP, INC.
IOWA HAM CANNING, INC.
JAC PAC FOODS LTD.
SPECIALTY BRANDS, INC.
SUPREME PROCESSED FOODS, INC.
THE BRUSS COMPANY
THE IBP FOODS CO.
ZEMCO INDUSTRIES, INC.

By: _____
Name: Dennis Leatherby
Title: Treasurer

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INTERNATIONAL TRADING COMPANY,
LTD., by Houston Processing II, Inc., its general
partner

By: _____
Dennis Leatherby, Treasurer
Houston Processing II, Inc.

KPR HOLDINGS, L.P., by Jos. Copperfield &
Sons, Inc., its general partner

By: _____
Dennis Leatherby, Treasurer
Jos. Copperfield & Sons, Inc.

TNT CRUST, LIMITED PARTNERSHIP, by
Dorskocil Food Service Company, L.L.C., its
general partner

By: _____
Dennis Leatherby, Treasurer
Dorskocil Food Service Company, L.L.C.

WRIGHT BRAND FOODS, LTD., by KH General,
Inc., its general partner

By: _____
Dennis Leatherby, Treasurer
KH General, Inc.

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Acknowledged and agreed as
of the date first above written:

THE CHASE MANHATTAN BANK, as Administrative Agent
for the benefit of the several CP Conduit Purchasers, Funding Agents and the Committed
Purchasers

By: _____
Name: Lara Graff
Title: Vice President

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EXHIBIT A

FORM OF SUBORDINATED NOTE

_____, 2001

FOR VALUE RECEIVED, the undersigned, TYSON RECEIVABLES CORPORATION, a Delaware corporation (the "Maker"), hereby promises to pay to the order of Tyson Foods, Inc., a Delaware corporation (the "Payee"), as Agent for the Sellers under the Receivables Purchase Agreement referred to below, on _____, ____ or earlier as provided for in the Receivables Purchase Agreement dated as of the date hereof between the Maker, the Payee and the Sellers (as such agreement may from time to time be amended, supplemented or otherwise modified and in effect, the "Receivables Purchase Agreement"), the aggregate unpaid principal amount of all Advances to the Maker from the Sellers pursuant to the terms of the Receivables Purchase Agreement, in lawful money of the United States of America in immediately available funds, and to pay interest from the date thereof on the principal amount hereof from the date of this Note continuing until such principal balance shall be paid in full, in like funds, at an office designated by the Payee. Accrued and unpaid interest shall be payable in arrears on the last Business Day of each calendar month (each day, an "Interest Payment Date").

Interest shall be payable at the initial rate of 8.50% per annum, adjusted monthly on each Interest Payment Date, for the month following such Interest Payment Date, to the sum of Prime Rate then in effect plus 2.00%. With respect to any Interest Payment Date, the "Prime Rate" shall be the prime rate as reported in The Wall Street Journal on such Interest Payment Date (or, if The Wall Street Journal is not published on such Interest Payment Date, the Business Day next succeeding such Interest Payment Date on which The Wall Street Journal is published.) If The Wall Street Journal shall no longer be published or if it shall cease to report a prime rate, the "Prime Rate" shall be the rate publicly announced by The Chase Manhattan Bank, New York Branch, on such Interest Payment Date as its base commercial lending rate. If any Interest Payment Date shall not be a Business Day, then such Interest Payment Date shall be deemed to occur on the next following Business Day, but no additional interest shall be payable. A "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are required or authorized by law to be closed.

The undersigned, for itself and its legal representatives, successors and assigns, and any others who may at any time become liable for payment hereunder, hereby (a) consents to any and all extensions of time, renewals, waivers, or modifications, if any, that may be granted or consented to by the Payee with regard to the time of payment hereunder or any other provisions hereof.

The Maker hereby waives diligence, presentment, demand, protest, notice of dishonor and notice of nonpayment. The non-exercise by the holder hereof of any of its rights, powers or remedies hereunder or thereafter available in law, in equity, by statute or otherwise in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

All borrowings evidenced by this Subordinated Note and all payments and prepayments of the principal hereof and interest hereon and the respective dates thereof shall be endorsed by the holder hereof on the schedule attached hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, or otherwise recorded by such holder in its internal records; provided, however, that the failure of the holder hereof to make such a notation or any error in such a notation shall not in any manner affect the obligation of the Maker to make payments of principal and interest in accordance with the terms of this Subordinated Note and the Receivables Purchase Agreement.

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The Maker shall have the right, subject to the limitations set forth in the Receivables Purchase Agreement, to reborrow Advances made to it without penalty or premium.

This Note may be prepaid in full, or from time to time in part, at any time. All payments received under this Note shall be applied first to accrued interest and the remainder, if any, to the principal amount hereunder.

This Subordinated Note is the Subordinated Note referred to in the Receivables Purchase Agreement, which, among other things, contains provisions for the subordination of this Subordinated Note to the rights of certain parties under the Receivables Transfer Agreement, all upon the terms and conditions specified therein and as specified on Schedule II to this Subordinated Note. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in, or incorporated by reference into, the Receivables Purchase Agreement.

This Subordinated Note shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Maker has caused this Note to be signed in its corporate name by the officer thereunto duly authorized, and to be dated as of the date first above written.

TYSON RECEIVABLES CORPORATION

By: _____
Name:
Title:

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CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Tyson Foods, Inc. (the Company) on Form 10-K for the period ending September 28, 2002 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, John Tyson, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ John Tyson
John Tyson
Chairman and Chief Executive Officer
November 27, 2002

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CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Tyson Foods, Inc. (the Company) on Form 10-K for the period ending September 28, 2002 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Steven Hankins, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Steven Hankins
Steven Hankins
Executive Vice President and Chief Financial Officer
November 27, 2002

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End of Filing

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