

# TYSON FOODS INC

## FORM 8-K (Current report filing)

Filed 04/03/07 for the Period Ending 04/03/07

Address	2200 DON TYSON PARKWAY SPRINGDALE, AR 72762-6999
Telephone	479-290-4000
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Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	09/30

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): April 2, 2007

**Tyson Foods, Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**

(State of incorporation or organization)

**001-14704**

(Commission File Number)

**71-0225165**

(IRS Employer Identification No.)

**2210 West Oaklawn Drive, Springdale, AR 72762-6999**

**(479) 290-4000**

(Address, including zip code, and telephone number, including area code, of  
Registrant's principal executive offices)

**Not applicable**

(Former name, former address and former fiscal year, if applicable)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 5.02 – DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS**

(b) and (e) On April 2, 2007, Tyson Foods, Inc. (the “Company”) entered into a Second Executive Amendment (the “Amendment”) with Mr. Greg Lee, the Company’s Chief Administrative Officer and International President, relating to Mr. Lee’s early retirement from full time employment with Company. The Amendment amended Mr. Lee’s employment agreement with the Company dated July 29, 2003, as previously amended (the “Employment Agreement”). As required by the Employment Agreement, upon Mr. Lee’s retirement from full employment the Company and Mr. Lee also entered into a Senior Executive Employment Agreement (the “Senior Agreement”) substantially in the form of such Senior Agreement as was attached as an exhibit to the Employment Agreement. The Senior Agreement will be effective as of April 3, 2007.

Pursuant to the terms of the Amendment, Mr. Lee’s full time employment with the Company will end on April 2, 2007, and Mr. Lee will receive a lump sum payment of \$728,500, which equals the amount of salary Mr. Lee would have been entitled during the remaining term of his Employment Agreement. Under the terms of the Amendment Mr. Lee will also receive a bonus of \$267,000 pursuant to the Company’s standard formula based practice for officers retiring from full-time employment from the Company. Mr. Lee will not be entitled to receive an option grant at the beginning of the 2008 fiscal year.

In accordance with the terms of the Senior Agreement, as established in the Employment Agreement, Mr. Lee will provide up to twenty (20) hours a month of advisory services to the Company. The Senior Agreement provides for a term of 10 years, the first five years of which Mr. Lee will receive an annual payment equal to \$481,800 and the last five years of which Mr. Lee will receive an annual payment equal to \$240,900. During the term of the Senior Executive Employment Agreement, (i) Mr. Lee and his spouse will receive health insurance available to Mr. Lee at the time of his retirement, (ii) all options held by Mr. Lee at the time of his retirement will continue in effect until exercise or termination, and (iii) Mr. Lee will be entitled to the following perquisites:

- reimbursement for annual country club dues;
  - use of, and the payment of all reasonable expenses for, an automobile;
  - reimbursement for reasonable costs incurred by Mr. Lee for tax and estate planning advice; and
  - reasonable personal use of the Company-owned aircraft during the first five years of the term (limited to 100 hours annually).
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The Company is also obligated to reimburse and gross-up Mr. Lee for any and all income tax liability incurred by Mr. Lee in connection with the personal use of the Company-owned aircraft.

In event of Mr. Lee's death, the Senior Agreement provides that the Company will give Mr. Lee's beneficiary a 60 day notice and will terminate all of Mr. Lee's options (vested and unvested) in exchange for a cash payment equal to the spread between the strike price and market price at the close of business on next business day succeeding Mr. Lee's death. In the event of Mr. Lee's death, the compensation, perquisites and benefits described above shall continue to be paid to Mr. Lee's spouse for the duration of the ten year term.

The foregoing description is qualified in its entirety by reference to the provisions of the Amendment and the Senior Agreement, which are attached as exhibits to this Form 8-K.

**ITEM 7.01 REGULATION FD DISCLOSURE**

On April 3, 2007, the Company issued a press release announcing the early retirement of Mr. Greg Lee. The press release is being furnished with this Current Report on Form 8-K as Exhibit 99.1.

**ITEM 9.01 – FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits

- 10.1 Second Executive Amendment dated April 2, 2007 between Tyson Foods, Inc. and Mr. Greg Lee
  - 10.2 Senior Executive Employment Agreement dated April 3, 2007 between Tyson Foods, Inc and Mr. Greg Lee
  - 99.1 Press Release issued on April 3, 2007, announcing the early retirement of Mr. Greg Lee.
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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Tyson Foods, Inc.

Date: April 3, 2007

By: /s/ Wade Miquelon  
Name: Wade Miquelon  
Title: Executive Vice President &  
Chief Financial Officer

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Tyson Foods, Inc.  
Current Report on Form 8-K  
Dated April 3, 2007

**EXHIBIT INDEX**

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
10.1	Second Executive Amendment dated April 2, 2007 between Tyson Foods, Inc. and Mr. Greg Lee
10.2	Senior Executive Employment Agreement dated April 3, 2007 between Tyson Foods, Inc and Mr. Greg Lee
99.1	Press Release issued on April 3, 2007, announcing the early retirement of Mr. Greg Lee.

## SECOND EXECUTIVE AMENDMENT

This amendment (“Amendment”), effective the 2nd day of April, 2007 (the “Effective Date”), by and between Tyson Foods, Inc., a Delaware corporation (“Company”), and any of its subsidiaries and affiliates (hereinafter collectively referred to as “Employer”), and Greg Lee (hereinafter referred to as “Executive”), to the amended and restated employment agreement dated July 29, 2003, as previously amended on December 10, 2004 (“Agreement”) between Employer and Executive.

### WITNESSETH:

WHEREAS, Employer and Executive have been discussing Executive’s retirement from full time employment with the Company, and over the past year the parties have worked at identifying and placing senior officers to fulfill Executive’s duties upon his retirement from full time employment as part of the Company’s succession planning process;

WHEREAS, the parties believe the senior officers identified in the succession planning process are currently ready to fulfill the current duties of the Executive, and

WHEREAS, with the succession planning process completed, the Company and the Executive have each expressed a desire to accelerate the Term of the Agreement and to commence Executive’s service under the Senior Executive Employment Agreement;

NOW, THEREFORE, Employer and Executive, in consideration of the above and the terms and conditions contained herein, hereby mutually agree as follows:

1. Section 2 of the Agreement shall be stricken and replaced with the following:

“ Term of Employment. Executive’s term of employment under this Agreement shall commence as of October 1, 2001 and, subject to the terms hereof, shall terminate on April 2, 2007 (“Termination Date”, and the period from October 1, 2001 until the Termination Date shall be the “Term”).

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2. Section 3.3 of the Agreement shall be amended by deleting the existing second sentence and by substituting the following:

“On such day of each of the Company’s 2004, 2005, 2006 and 2007 fiscal years that option grants are awarded generally to other employees of the Company (in each case so long as the Termination Date has not occurred), the Company shall award Executive an additional option to acquire 160,000 shares of Company Class A common stock on the date of grant; the other terms and conditions of such awards shall be governed by the terms of the Stock Plan and a stock option award agreement in a form substantially similar to that then used by the Company.”

3. Section 4 of the Agreement will be stricken and replaced with the following:

“ Retirement: Senior Executive Employment Agreement. Upon the Termination Date of this Agreement, the parties will execute the Senior Executive Employment Agreement attached hereto as Exhibit A, pursuant to which Executive shall provide advisory services to the Company.

4. In consideration of Executive’s mutual agreement to accelerate the termination of the Agreement, and to allow the Company to implement this phase of its succession planning, the Company has agreed to make a lump sum payment to Executive in the amount of Seven hundred twenty-five thousand eight hundred dollars (\$725,800) on the Termination Date, subject to all applicable legal deductions. The parties agree that Executive will not be entitled to any bonus for the 2007 fiscal year except for a prorated retirement bonus of \$267,000 consistent with the Company’s bonus practice. The retirement bonus will be paid to the executive by the Company on the Termination Date.

5. Executive agrees that upon the Company’s payment of the amount specified in Section 4 above, the Company’s will have no further obligations to Executive

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under the terms of the Agreement. The Company will be obligated to fulfill the terms of (i) the Senior Executive Employment Agreement and (ii) any outstanding restricted stock awards, stock options and performance shares (pursuant to the terms of the specific equity award agreements).

6. Except as expressly provided in Sections 1, 2, 3 and 5 above, this Amendment does not modify or change any other terms of the Agreement, and such other terms and conditions shall remain unmodified by this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

Tyson Foods, Inc.

Greg Lee

/s/ Richard L. Bond

/s/ Greg Lee

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## SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

THIS SENIOR EXECUTIVE EMPLOYMENT AGREEMENT dated April 3, 2007 (the "Effective Date") is by and between Tyson Foods, Inc., a corporation organized under the laws of Delaware (the "Company"), and Greg Lee ("Executive").

## WITNESSETH :

WHEREAS, following Executive's retirement from full time employment with the Company and/or one of its subsidiaries, the Company wishes to retain Executive's services and access to Executive's experience and knowledge; and

WHEREAS, the Executive wishes to furnish advisory services to the Company upon the terms, provisions and conditions herein provided;

NOW, THEREFORE, in consideration of the foregoing and of the agreements hereinafter contained, the parties hereby agree as follows:

1. The term of this Agreement (the "Term") shall begin on the Effective Date and end ten (10) years thereafter.
  2. During the Term, Executive will, upon reasonable request, provide advisory services to the Company as follows:
    - (a) Services hereunder shall be provided as an employee of the Company;
    - (b) Executive may be required to devote up to twenty (20) hours per month to the Company;
    - (c) Executive may perform advisory services hereunder at any location but may be required to be at the offices of the Company and/or its subsidiaries upon reasonable notice; and
    - (d) Executive shall not be obligated to render services under this Agreement during any period when he is disabled due to illness or injury.
  3. Beginning the Effective Date, the Company shall (i) pay Executive each year for five (5) years the sum of \$481,800 per year, and for the next five (5) years the sum of \$240,900 per year, such sums to be payable as the parties may from time to time agree; (ii) provide Executive and his spouse with health insurance during the Term as generally available to Executive at the time of retirement from full time employment, and (iii) permit Executive to continue all options to purchase Company stock existing on the date of this Agreement. In addition, the Company
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shall continue to provide Executive with the following perquisites in accordance with the Company's policies:

- (a) Reimbursement for annual country club dues incurred by Executive during the Term consistent with the past practices of Executive at the Company;
- (b) Use of, and the payment of all reasonable expenses (including, without limitation, insurance, repairs, maintenance, fuel and oil) for, an automobile. The monthly lease payment or allowance for such automobile shall be consistent with past practices under Executive's Amended and Restated Employment Agreement with the Company dated July 29, 2003;
- (c) Personal use of the Company-owned aircraft for up to one hundred (100) hours per year for the first five (5) years during the Term; provided, however, that Executive's personal use of the Company-owned aircraft shall not interfere with Company use of the Company-owned aircraft. The Company will reimburse and gross-up Executive for any and all income tax liability incurred by Executive in connection with his personal use of the Company-owned aircraft; and
- (d) Reimbursement from the Company during the Term for reasonable costs incurred by Executive for tax and estate planning advice.

In the event of the Executive's death, the compensation, perquisites and benefits described above shall continue to be paid to the Executive's spouse for the duration of the Term. In the event of death by both Executive and his spouse, all benefits under this Agreement shall cease.

- 4. In the event of Executive's death, the Company will, upon written notice given within sixty (60) days of death by Executive's designated beneficiary, if any, or otherwise by the administrator of Executive's estate, terminate all Executive owned options to purchase Company common stock, whether or not then currently vested, in exchange for payment equal to the aggregate spread between the strike price and the market value of such stock at the close of business on the next business day succeeding Executive's death.
  - 5. While this Agreement is in effect and thereafter, the Executive shall not divulge to anyone, except in the regular course of the Company's business, any confidential or proprietary information regarding the Company's records, plans or any other aspects of the Company's business which it considers confidential or proprietary; provided, an insubstantial or inadvertent disclosure by Executive causing no material harm to Company is not deemed a breach of this provision.
  - 6. This Agreement shall terminate in the event Executive accepts employment from anyone deemed by the Company to be a competitor.
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7. The right of the Executive or any other beneficiary under this Agreement to receive payments may not be assigned, pledged or encumbered, except by will or by the laws of descent and distribution, without the permission of the Company which it may withhold in its sole and absolute discretion.
8. Except for the obligations under Section 13 of the Amended and Restated Employment Agreement dated July 29, 2003, as amended, between the Company and Executive, this Agreement represents the complete agreement between the Company and Executive concerning the subject matter hereof and supersedes all prior employment or benefit agreements or understandings, written or oral. No attempted modification or waiver of any of the provisions hereof shall be binding on either party unless in writing and signed by both Executive and Company.
9. It is the intention of the parties hereto that all questions with respect to the construction and performance of this Agreement shall be determined in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written above.

TYSON FOODS, INC.

By:  
Title:

Greg Lee

## SENIOR EXECUTIVE EMPLOYMENT AGREEMENT

THIS SENIOR EXECUTIVE EMPLOYMENT AGREEMENT dated April 3, 2007 (the "Effective Date") is by and between Tyson Foods, Inc., a corporation organized under the laws of Delaware (the "Company"), and Greg Lee ("Executive").

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WHEREAS, the Executive wishes to furnish advisory services to the Company upon the terms, provisions and conditions herein provided;

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(a) Reimbursement for annual country club dues incurred by Executive during the Term consistent with the past practices of Executive at the Company;

(b) Use of, and the payment of all reasonable expenses (including, without limitation, insurance, repairs, maintenance, fuel and oil) for, an automobile. The monthly lease payment or allowance for such automobile shall be consistent with past practices under Executive's Amended and Restated Employment Agreement with the Company dated July 29, 2003;

(c) Personal use of the Company-owned aircraft for up to one hundred (100) hours per year for the first five (5) years during the Term; provided, however, that Executive's personal use of the Company-owned aircraft shall not interfere with Company use of the Company-owned aircraft. The Company will reimburse and gross-up Executive for any and all income tax liability incurred by Executive in connection with his personal use of the Company-owned aircraft; and

(d) Reimbursement from the Company during the Term for reasonable costs incurred by Executive for tax and estate planning advice.

In the event of the Executive's death, the compensation, perquisites and benefits described above shall continue to be paid to the Executive's spouse for the duration of the Term. In the event of death by both Executive and his spouse, all benefits under this Agreement shall cease.

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  5. While this Agreement is in effect and thereafter, the Executive shall not divulge to anyone, except in the regular course of the Company's business, any confidential or proprietary information regarding the Company's records, plans or any other aspects of the Company's business which it considers confidential or proprietary; provided, an insubstantial or inadvertent disclosure by Executive causing no material harm to Company is not deemed a breach of this provision.
  6. This Agreement shall terminate in the event Executive accepts employment from anyone deemed by the Company to be a competitor.
  7. The right of the Executive or any other beneficiary under this Agreement to receive payments may not be assigned, pledged or encumbered, except by will or by the laws of descent and distribution, without the permission of the Company which it may withhold in its sole and absolute discretion.
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8. Except for the obligations under Section 13 of the Amended and Restated Employment Agreement dated July 29, 2003, as amended, between the Company and Executive, this Agreement represents the complete agreement between the Company and Executive concerning the subject matter hereof and supersedes all prior employment or benefit agreements or understandings, written or oral. No attempted modification or waiver of any of the provisions hereof shall be binding on either party unless in writing and signed by both Executive and Company.
9. It is the intention of the parties hereto that all questions with respect to the construction and performance of this Agreement shall be determined in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written above.

TYSON FOODS, INC.

By: /s/ Richard L. Bond  
Title: President and CEO

/s/ Greg Lee  
Greg Lee

## Greg Lee – Tyson's Chief Administrative Officer and International President – Announces Early Retirement

Springdale, Arkansas -- April 3, 2007 -- Tyson Foods, Inc. (NYSE: TSN) announced today that Greg Lee, the company's Chief Administrative Officer and International President, has decided to retire early from full time employment. Lee is a longtime Tyson executive and was scheduled to retire next February when his current employment contract expires. Effective today, Lee will be assisting the company in transitioning his duties for the next several weeks.

"Greg spent 27 years helping build and grow Tyson Foods, so his leaving the company will not be easy," said Dick Bond, Tyson's President & CEO. "He will be missed by all, but we take comfort in knowing he will still be available on a consulting basis in the future."

"My career at Tyson has been rewarding in so many ways," said Lee. "It has been exciting to see the company grow from the small regional chicken company it was when I started, to the largest protein provider on the planet. With our international business in the capable hands of Rick Greubel and our Discovery Center up and running, I know the best is yet to come."

"The Tyson family greatly appreciates Greg's dedicated service to the company over the last three decades," said Tyson Chairman John Tyson. "He has been a stalwart team member wherever he was needed and we will miss having him here on a day to day basis."

In accordance with his agreement with the company, Lee will, in the next several weeks be assisting with the transition; including helping determine how his past duties and responsibilities will be assigned going forward. An announcement on those decisions is expected in the next 30 days.

Tyson Foods, Inc. [NYSE: TSN], founded in 1935 with headquarters in Springdale, Arkansas, is the world's largest processor and marketer of chicken, beef, and pork, the second-largest food production company in the Fortune 500 and a member of the S&P 500. The company produces a wide variety of protein-based and prepared food products, which are marketed under the "Powered by Tyson®" strategy. Tyson is the recognized market leader in the retail and foodservice markets it serves, providing products and service to customers throughout the United States and more than 80 countries. The company has approximately 107,000 Team Members employed at more than 300 facilities and offices in the United States and around the world. Through its Core Values, Code of Conduct and Team Member Bill of Rights, Tyson strives to operate with integrity and trust and is committed to creating value for its shareholders, customers and Team Members. The company also strives to be faith-friendly, provide a safe work environment and serve as stewards of the animals, land and environment entrusted to it.

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Contact: Gary Mickelson 479-290-6111