

**SMITHFIELD FOODS INC.  
2004 SHAREHOLDER PROPOSAL FOR POLITICAL CONTRIBUTIONS REPORT**

Resolved, that the shareholders of Smithfield Foods Inc. (the 'Company') hereby request that the Company prepare and submit to the shareholders of the Company a separate report, updated annually, containing the following information:

- a. Policies for political contributions made with corporate funds, political action committees sponsored by the Company, and employee political contributions solicited by senior executives of the Company. This shall include, but not be limited to, policies on contributions and donations to federal, state and local political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527;
- b. An accounting of the Company's resources, including property and personnel, contributed or donated to any of the persons and organizations described above;
- c. A business rationale for each of the Company's political contributions or donations; and
- d. Identification of the person or persons in the Company who participated in making the decisions to contribute or donate.

As shareholders, we support policies that apply transparency and accountability to corporate political giving. There is currently no single source of information providing comprehensive disclosure to the Company's shareholders on political contributions made with corporate funds. Without full transparency, we believe Company executives may be able to direct corporate resources for political purposes and make decisions unilaterally without a stated business rationale for such donations. The result is that shareholders are unaware of how and why the Company chooses to make corporate contributions and the political ends being furthered by the gift of corporate funds. Company officials may, in fact, be funding groups and candidates whose agendas are not in the best interest of the Company and its shareholders.

Smithfield's balance sheet is especially vulnerable to evolving environmental law, given the considerable pollution related to concentrated animal feeding operations. To this end, it is understood that our company spends considerably to shape law and resulting regulation. A Pulitzer Prize was awarded to one investigation of how Smithfield has courted the North Carolina legislature. Such stories shouldn't be surprises to shareholders. In our view, absent a system of accountability, corporate executives will be free to use the Company's assets in ways that could pose reputational and legal risks for the company.

We therefore urge your support FOR this resolution.