

**GOLD KIST INC.**  
**BOARD OF DIRECTORS**  
**CORPORATE GOVERNANCE GUIDELINES**

**A. THE ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

**1) Direct the Affairs of GOLD KIST for the Benefit of its Stockholders**

The Board of Directors of Gold Kist Inc. (“GOLD KIST”) represents the Stockholders’ interest in perpetuating and increasing the value of the business enterprise, including optimizing long-term financial returns. The Board believes that the primary responsibility of directors is to oversee the affairs of GOLD KIST for the benefit of its Stockholders. The Board agrees that day-to-day management of GOLD KIST is the responsibility of GOLD KIST’s executive officers and that the role of the Board is to oversee management’s performance of that function. The responsibility of each director is to exercise his or her business judgment to act in what he or she reasonably believes to be in the best interests of GOLD KIST and its Stockholders.

**2) Review of Financial Goals and Performance**

The Board approves the annual operating plan at the start of the fiscal year and reviews financial performance periodically during the year, including both actual and in comparison to the plan.

GOLD KIST’s management, under the oversight of the Board and its Audit and Compliance Committee, has the responsibility to produce financial statements that fairly present GOLD KIST’s consolidated financial position, results of operations and cash flows. The Audit and Compliance Committee has the responsibility to engage an independent accounting firm, which will audit the financial statements prepared by management and issue an opinion on those statements based on Generally Accepted Accounting Principles. The Board, the Audit and Compliance Committee, and management must be vigilant to ensure that no actions are taken by GOLD KIST or its employees that compromise the independence of the independent auditors.

**3) Ethical Business Environment**

The Board believes that GOLD KIST’s long-term success is dependent upon the maintenance of an ethical business environment that focuses on adherence to both the letter and the spirit of regulatory and legal mandates, as well as GOLD KIST’s Code of Business Conduct. The Board expects management to conduct operations in an ethical manner consistent with applicable laws, rules and regulations and GOLD KIST’s Code of Business Conduct.

## **B. SELECTION OF THE BOARD**

### **1) Board Membership Criteria**

The Compensation, Nominating and Corporate Governance Committee should annually review the appropriate experience, skills and characteristics required of Board members in the context of the current membership of the Board. This assessment should include, among other relevant factors, in the context of the perceived needs of the Board at that time, issues of experience, reputation, judgment, diversity and skills.

### **2) Selection of New Directors**

The Board should be responsible for selecting its own nominees and recommending them for election by the Stockholders. The Board delegates the screening process necessary to identify qualified candidates to the Compensation, Nominating and Corporate Governance Committee, including consultation with the Chairman of the Board and the Chief Executive Officer.

The Compensation, Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, shall periodically examine the composition of the Board and determine whether the Board would better serve its purposes with the addition of one or more Directors. If the Compensation, Nominating and Corporate Governance Committee determines that adding a new director is advisable, the Committee shall initiate the search, working with other Directors, management and, if it deems appropriate or necessary, a search firm retained to assist in the search. The Compensation, Nominating and Corporate Governance Committee shall consider all appropriate candidates proposed by management, directors and Stockholders. Information regarding potential candidates shall be presented to the Compensation, Nominating and Corporate Governance Committee, and the Committee shall evaluate the candidates based on the needs of the Board at that time and the criteria listed in these Guidelines. Potential candidates will be evaluated according to the same criteria, regardless of whether the candidate was recommended by Stockholders, the Compensation, Nominating and Corporate Governance committee, another director, Company management or another third party. The Compensation, Nominating and Corporate Governance Committee shall then meet to consider the selected candidate(s), and submit the approved candidate(s) to the full Board of Directors for approval and recommendation to the Stockholders.

### **3) Stockholder Recommendations of Board Nominees**

Stockholders may recommend a nominee for election to the Board of Directors by submitting notice of such recommendation, together with the other information specified herein, in writing, to the Board of Directors of Gold Kist Inc., c/o Corporate Secretary, Gold Kist Inc., 244 Perimeter Center Parkway, N. E., Atlanta, Georgia 30346. In order to be considered by the Board and the Compensation, Nominating and Corporate Governance Committee, such nominations must be received before the deadlines provided in GOLD KIST'S Bylaws and under applicable law.

Such recommendations of director nominees must set forth all information required by GOLD KIST'S Bylaws and under applicable law.

No Stockholder nominee shall be eligible for election unless that person is nominated in accordance with these procedures. The chair of the annual meeting of Stockholders may, if the facts warrant, determine and declare at the meeting that a Stockholder nomination was not made in accordance with these procedures. If the chair makes such determination, the nomination shall be disregarded.

#### **4) Orientation and Continuing Education**

New directors will be provided with an orientation program regarding GOLD KIST's business and operations. As a part of GOLD KIST's continuing education efforts, supplemental information on GOLD KIST and its business and operations will be provided to directors from time to time.

### **C. SELECTION OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The Board has the responsibility to fill the positions of Chairman of the Board and the Chief Executive Officer as it deems best for GOLD KIST and its Stockholders from time to time.

### **D. BOARD COMPOSITION AND PERFORMANCE**

#### **1) Size of the Board**

GOLD KIST's Amended and Restated By-Laws provide for between three and fifteen members of the Board, with the exact number to be fixed from time to time by resolution of the Board. The Board will determine the number of members of the Board needed to ensure that all of the necessary or desirable core competencies are possessed by the Board as a whole.

#### **2) Director Independence**

GOLD KIST shall have at all times a majority of independent directors, as such term is defined by the rules of the Nasdaq National Market. At least once per year, the Board will review each relationship that exists with a director and his or her related interests for the purpose of determining whether the director is independent. This information shall be initially reviewed by the Compensation, Nominating and Corporate Governance Committee or, in the case of members of that committee, the full Board.

The Board shall consider all relevant facts and circumstances when making a determination of independence. The Board should consider the issue not merely from the standpoint of a director, but also from that of persons or organizations with which the director has a significant affiliation. An independent director should be free of any relationship with GOLD KIST or its management that may impair the director's ability to make independent judgments.

### **3) Service on Other Boards of Directors**

Prior to accepting an invitation to serve on another public company board of directors, directors should advise the Chairman of the Board and the Chairman of the Compensation, Nominating and Corporate Governance Committee. In deciding whether to serve on another public company board, the Board believes that directors should consider potential board attendance, participation and effectiveness on all boards.

### **4) Directors Who Change Their Present Job Responsibility**

Directors who change the occupation they held when initially elected shall immediately notify the Chairman of the Board and Chairman of the Compensation, Nomination and Corporate Governance Committee of such change. The Board does not believe that in every instance directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, through the Compensation, Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under the changed circumstances. If requested by the Chairman of the Board, such director whose occupation has so changed shall submit a letter of resignation to the Board.

### **5) Term Limits**

The Board has determined not to establish formal term limits. However, the Compensation, Nominating and Corporate Governance Committee, in conjunction with the Chairman of the Board and the Chief Executive Officer, will formally review each director's continuation on the Board shortly before the end of such director's then current term. This review shall be conducted in connection with the consideration of nominations to the Board at the annual Stockholders' meeting at which such director's term shall expire.

### **6) Board Compensation**

The Board believes that the level of director compensation generally should be competitive with that paid to directors of other corporations of similar size and complexity. Annually, management shall report to the Compensation, Nominating and Corporate Governance Committee the status of GOLD KIST Board compensation in relation to other comparable U.S. companies.

Changes in the compensation of directors, if any, should come at the suggestion of the Compensation, Nominating and Corporate Governance Committee, but with full discussion and approval by the Board.

### **7) Executive Sessions of Non-Management Directors**

If the Chairman of the Board is a member of management, the independent directors shall appoint one independent director to act as the Presiding Independent Director. Either the Chairman of the Board or the Presiding Independent Director, as the

case may be, shall preside over executive sessions of non-management directors. The outside directors shall meet at regularly scheduled executive sessions, at least annually, to discuss management succession and other issues. The Chairman of the Board or the Presiding Independent Director may call an executive session of non-management directors at any time. Any non-management director may request that the Chairman of the Board or the Presiding Independent Director call an executive session.

#### **8) Board Interaction with Institutional Investors and Other Stockholders.**

The Board believes that management speaks for GOLD KIST. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman.

Stockholders who wish to communicate with the Board, a Board Committee, the Chairman of the Board, any Presiding Independent Director, non-management directors as a group, or other individual directors may do so by sending written communications addressed to: Board of Directors of Gold Kist Inc., c/o Corporate Secretary, Gold Kist Inc., 244 Perimeter enter Parkway, N. E., Atlanta, Georgia 30346. All communications will be compiled by the Corporate Secretary and those communications deemed appropriate will be submitted to the Board at its next regularly scheduled meeting.

#### **9) Assessing the Board's Performance**

The Board shall conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Compensation, Nominating and Corporate Governance Committee shall oversee this self-evaluation process.

This assessment should review the Board's contribution as a whole and the areas in which the Board and/or management believes a better contribution is possible. A similar review and assessment should be undertaken with respect to each of the Board's committees.

### **E. BOARD ACCESS TO OFFICERS, SENIOR MANAGEMENT AND ADVISORS**

The Board encourages the Chief Executive Officer and Chief Financial Officer, from time to time, to bring officers and senior managers into Board and committee meetings who: (a) can provide additional insight because of personal involvement in the areas being discussed, or (b) are officers and managers with future potential that the senior management believes should be given exposure to the Board. As necessary and appropriate, Board members shall also have access to independent legal, accounting and other professional advisors to assist them in carrying out their duties and responsibilities as GOLD KIST directors.

### **F. MEETING PROCEDURES**

#### **1) Selection of Agenda Items for Board Meetings**

The Chairman of the Board and the Chief Executive Officer will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Assuming there are no objections by the majority of the Board, each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

## **2) Attendance at Board Meetings and Review of Board Materials**

Each director is expected to attend all meetings of the Board and committees on which the director serves, and is expected to attend GOLD KIST's Annual Meeting of Stockholders. In advance of each Board meeting, a proposed agenda and, to the extent feasible or appropriate, information and data that is important to an understanding of the business to be discussed, will be distributed. Each director is requested to review these materials prior to the Board meeting.

## **G. BOARD COMMITTEES**

### **1) Number, Structure and Independence of Committees**

Currently, GOLD KIST has an Executive Committee, Audit and Compliance Committee, and Compensation, Nominating and Corporate Governance Committee. All members of the Audit and Compliance Committee and the Compensation, Nominating and Corporate Governance committee shall be "independent", as such term is defined by the rules of the Nasdaq National Market and the applicable rules of the Securities and Exchange Commission. The Committees will also meet the requirements for such Committee as set forth in the Charter or authorizing resolution for such Committee.

### **2) Assignment of Committee Members**

The Compensation, Nominating and Corporate Governance Committee shall, after consultation with the Chief Executive Officer and with consideration of the desires of individual Board members, recommend to the full Board the assignment of Board members to committees.

### **3) Frequency and Length of Committee Meetings**

Committee Chairmen, in consultation with committee members, will determine the frequency and length of committee meetings. Each committee shall meet as frequently as is required to carry out its responsibilities under such committee's charter.

### **4) Committee Agenda**

Committee Chairmen, in consultation with the appropriate members of senior management and staff, will develop each committee's agenda.

## **H. LEADERSHIP DEVELOPMENT**

### **1) Formal Evaluation of the Chief Executive Officer**

Each year, the Compensation, Nominating and Corporate Governance Committee shall evaluate the performance of the Chief Executive Officer. In evaluating the Chief Executive Officer, the committee shall take into consideration the executive's performance in both qualitative and quantitative areas, such as: leadership and vision, integrity, keeping the Board informed on matters affecting GOLD KIST and its affiliated subsidiaries, the performance of the business, including the achievement of financial objectives and goals.

The evaluation will be communicated to the Chief Executive Officer by the Chairman of the Compensation, Nominating and Corporate Governance Committee and used by this committee in the course of its deliberations when considering the compensation of the Chief Executive Officer for the ensuing year.

## **2) Succession Planning**

The Chief Executive Officer will periodically provide to the Compensation, Nominating and Corporate Governance Committee a report regarding succession planning for the position of Chief Executive Officer. The Chief Executive Officer will also communicate to the Chairman of the Compensation, Nominating and Corporate Governance Committee a recommendation for his or her successor as a result of an unexpected event. The recommendation should be updated by the Chief Executive Officer periodically.

## **I. PERIODIC REVIEW OF CORPORATE GOVERNANCE GUIDELINES**

These Corporate Governance Guidelines shall be reviewed by the Compensation, Nominating and Corporate Governance Committee on a periodic basis, but not less than annually.