

TYSON FOODS INC  
Form DEF 14A  
December 19, 2014  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Tyson Foods, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Tyson Foods, Inc.  
2200 Don Tyson Parkway  
Springdale, Arkansas 72762-6999

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

January 30, 2015

To Tyson Foods, Inc. Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders ("Annual Meeting") of Tyson Foods, Inc., a Delaware corporation ("Company"), will be held at the Holiday Inn Northwest Arkansas Convention Center, 1500 South 48<sup>th</sup> Street, Springdale, Arkansas, on Friday, January 30, 2015 at 10:00 a.m., Central time, for the following purposes:

1. To elect nine directors named in the accompanying proxy statement to the Company's Board of Directors;
2. To ratify the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for the fiscal year ending October 3, 2015;
3. To consider and act upon the shareholder proposals described in the accompanying Proxy Statement, if properly presented at the Annual Meeting; and
4. To consider and act upon such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Only shareholders of record at the close of business on December 1, 2014, the record date for the Annual Meeting, will be entitled to attend and vote at the Annual Meeting and any adjournments or postponements thereof. If you plan to attend the Annual Meeting, an admission ticket is required and can be obtained by contacting Tyson Foods Investor Relations via email at [ir@tyson.com](mailto:ir@tyson.com) or by telephone at (479) 290-4524. The Annual Meeting will also be webcast live on the Company's Investor Relations website at <http://ir.tyson.com>.

This year we will again take advantage of the rules of the Securities and Exchange Commission that allow us to furnish our proxy materials over the Internet. As a result, we are sending a Notice of Internet Availability of Proxy Materials to our shareholders rather than a full paper set of the proxy materials. The Notice of Internet Availability of Proxy Materials contains instructions on how to access our proxy materials on the Internet, as well as instructions on how shareholders may obtain a paper copy of our proxy materials. This process substantially reduces the costs associated with printing and distributing our proxy materials. To make it easier for you to vote, Internet and telephone voting are available. The instructions on the Notice of Internet Availability of Proxy Materials or, if you received a paper copy of the proxy materials, the proxy card, describe how to use these convenient services.

By Order of the Board of Directors

R. Read Hudson

Secretary

Springdale, Arkansas

December 19, 2014

**YOUR VOTE IS IMPORTANT**

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU ARE URGED TO VOTE AS SOON AS POSSIBLE BY INTERNET, TELEPHONE OR MAIL SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES. THE GIVING OF A PROXY DOES NOT AFFECT YOUR RIGHT TO REVOKE IT LATER OR VOTE YOUR SHARES IN PERSON IN THE EVENT YOU SHOULD ATTEND THE ANNUAL MEETING.

---

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON JANUARY 30, 2015: The Company's Proxy Statement and Annual Report on Form 10-K for the fiscal year ended September 27, 2014 are also available at <http://ir.tyson.com> or <http://www.proxyvote.com>.

---

TABLE OF CONTENTS	
PROXY STATEMENT SUMMARY	<u>iii</u>
GENERAL INFORMATION ABOUT THIS PROXY STATEMENT AND THE ANNUAL MEETING	<u>1</u>
OUTSTANDING STOCK AND VOTING RIGHTS	<u>4</u>
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS	<u>5</u>
SECURITY OWNERSHIP OF MANAGEMENT	<u>6</u>
ELECTION OF DIRECTORS	<u>7</u>
Board Recommendation	<u>8</u>
Vote Required	<u>8</u>
INFORMATION REGARDING THE BOARD AND ITS COMMITTEES	<u>10</u>
DIRECTOR COMPENSATION FOR FISCAL YEAR 2014	<u>13</u>
RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	<u>14</u>
Audit Fees	<u>14</u>
Audit-Related Fees	<u>14</u>
Tax Fees	<u>14</u>
All Other Fees	<u>14</u>
Audit Committee Pre-Approval Policy	<u>14</u>
Board Recommendation	<u>15</u>
Vote Required	<u>15</u>
SHAREHOLDER PROPOSALS	<u>16</u>
SHAREHOLDER PROPOSAL NO. 1	<u>16</u>
Board of Directors' Statement In Opposition to Shareholder Proposal No. 1	<u>16</u>
Board Recommendation	<u>18</u>
Vote Required	<u>18</u>
SHAREHOLDER PROPOSAL NO. 2	<u>19</u>
Board of Directors' Statement In Opposition to Shareholder Proposal No. 2	<u>19</u>
Board Recommendation	<u>20</u>
Vote Required	<u>20</u>
SHAREHOLDER PROPOSAL NO. 3	<u>21</u>
Board of Directors' Statement In Opposition to Shareholder Proposal No. 3	<u>21</u>
Board Recommendation	<u>22</u>
Vote Required	<u>23</u>
COMPENSATION DISCUSSION AND ANALYSIS	<u>24</u>
Introduction	<u>24</u>

Fiscal Year 2014 Summary	<u>24</u>
Compensation Philosophy and Objectives	<u>24</u>
How We Determine Compensation	<u>24</u>
How NEOs Are Compensated	<u>26</u>
Elements of Compensation	<u>27</u>
Employment Contracts	<u>33</u>

Certain Benefits Upon a Change in Control	<u>34</u>
Tax and Accounting Considerations	<u>34</u>
Stock Ownership Program	<u>35</u>
Risk Considerations in our Overall Compensation Program	<u>35</u>
REPORT OF THE COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE	<u>36</u>
EXECUTIVE COMPENSATION	<u>37</u>
Summary Compensation Table for Fiscal Years 2014, 2013 and 2012	<u>37</u>
Grants of Plan-Based Awards During Fiscal Year 2014	<u>40</u>
Outstanding Equity Awards at 2014 Fiscal Year-End	<u>41</u>
Option Exercises and Stock Vested During Fiscal Year 2014	<u>43</u>
Pension Benefits	<u>43</u>
Nonqualified Deferred Compensation for Fiscal Year 2014	<u>44</u>
Potential Payments Upon Termination	<u>46</u>
Potential Payments Upon a Change in Control	<u>48</u>
REPORT OF THE AUDIT COMMITTEE	<u>49</u>
CERTAIN TRANSACTIONS	<u>50</u>
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	<u>51</u>
SHAREHOLDER PROPOSALS AND DIRECTOR NOMINATIONS	<u>51</u>
SHAREHOLDER COMMUNICATIONS	<u>51</u>
EXPENSES OF SOLICITATION	<u>52</u>
ADDITIONAL INFORMATION AVAILABLE	<u>52</u>
HOUSEHOLDING OF PROXY MATERIALS	<u>52</u>
OTHER MATTERS	<u>52</u>

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement but does not contain all of the information you should consider before voting your shares. For more complete information regarding the proposals to be voted on at the 2015 Annual Meeting of Shareholders (the “Annual Meeting”) of Tyson Foods, Inc., a Delaware corporation (the “Company”) and our fiscal year 2014 performance, please review the entire Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended September 27, 2014.

INFORMATION ABOUT OUR ANNUAL MEETING

Date and Time: Friday, January 30, 2015 at 10:00 a.m., Central time

Place: Holiday Inn Northwest Arkansas Convention Center  
1500 South 48th Street  
Springdale, Arkansas

Record Date: December 1, 2014

Only shareholders of record at the close of business on the Record Date will be entitled to attend and vote at the Annual Meeting and any adjournments or postponements thereof. Each share of Attendance/Voting: Class A Common Stock will entitle the holder to one vote for each director nominee and one vote for each other proposal, and each share of Class B Common Stock will entitle the holder to ten votes for each director nominee and ten votes for each other proposal.

Advance Voting: Even if you plan to attend the Annual Meeting in person, please vote right away using one of the following advance voting methods:

- ✶ Visit the website listed on your proxy card/voting instruction form to vote by Internet.
- ☎ Call the telephone number on your proxy card/voting instruction form to vote by telephone.
- ✉ Sign, date and return your proxy card/voting instruction form in the enclosed envelope to vote by mail.

PROPOSALS AND VOTING RECOMMENDATIONS

Voting Items	Board Recommendation	Votes Required for Approval	Page No.
Election of directors	FOR All Nominees	Majority of votes cast	<u>7</u>
Ratification of selection of independent registered public accounting firm	FOR	Majority of votes cast	<u>14</u>
Shareholder Proposal No. 1	AGAINST	Majority of votes cast	<u>16</u>
Shareholder Proposal No. 2	AGAINST	Majority of votes cast	<u>19</u>
Shareholder Proposal No. 3	AGAINST	Majority of votes cast	<u>21</u>

## DIRECTOR NOMINEES

The following table contains information about the nine candidates who have been nominated for election to the Board of Directors. Each nominee is currently a director of the Company. Additional biographical information about the nominees can be found in this Proxy Statement starting on page 7.

Name	Age	Director Since	Independent	Committee Assignments				
				Audit	Compensation and Leadership Development	Governance and Nominating	Strategy and Acquisitions	Executive
John Tyson m	61	1984	No					ü
Kathleen M. Bader	64	2011	Yes	ü			ü*	
Gaurdie E. Banister Jr. †	57	2011	Yes		ü		ü	
Jim Keever :	62	1999	Yes	ü		ü	ü	ü
Kevin M. McNamara :	58	2007	Yes	ü*	ü			
Brad T. Sauer	55	2008	Yes		ü*	ü		
Donnie Smith	55	2014	No					
Robert Thurber	67	2009	Yes			ü*	ü	
Barbara A. Tyson	65	1988	No					ü

m Chairman of the Board \*Committee Chairperson † Lead Independent Director : Audit Committee Financial Expert

## BUSINESS HIGHLIGHTS

The Company's total sales in fiscal year 2014 were \$37.6 billion, a 9% increase from the prior year. Operating income increased for the same period to over \$1.4 billion. Our board of directors increased quarterly dividends on our common stock by 50% beginning in December 2013.

Also in fiscal year 2014, we acquired The Hillshire Brands Company, a leader in branded, convenient foods. The transaction adds such iconic brands as Jimmy Dean®, Ball Park®, State Fair® and Hillshire Farm® to our portfolio and positions the Company as a clear leader in the prepared foods business. We also acquired the assets of Bosco's Pizza Co., a producer of stuffed bread sticks and frozen pizzas for food service and retail customers.

## GOVERNANCE HIGHLIGHTS

The Company is committed to good corporate governance, which promotes the long-term interests of shareholders, strengthens the Board of Directors and management accountability, and helps build public trust in the Company. Some of the Company's key governance features include:

- 6 out of 9 director nominees are independent
- Separation of the roles of Chairman, CEO and Lead Independent Director
- Annual board and committee self-evaluations
- Average board meeting attendance in excess of 75%
- Deferred shares for directors and strong ownership requirements for directors and senior officers
- Independent board committees (other than the Executive Committee)