

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2015 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>SMITHFIELD FOODS HOURLY PENSION PLAN</u>	1b Three-digit plan number (PN) ▶ <u>003</u>
	1c Effective date of plan <u>01/01/1989</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>SMITHFIELD FOODS, INC.</u> <u>200 COMMERCE ST.</u> <u>SMITHFIELD, VA 23430</u>	2b Employer Identification Number (EIN) <u>52-0845861</u> 2c Plan Sponsor's telephone number <u>866-551-9423</u> 2d Business code (see instructions) <u>311610</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/06/2016</u>	<u>HOPE K. REILLY</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☐ Same as Plan Sponsor SMITHFIELD FOODS, INC. P.O. BOX 9004 SMITHFIELD, VA 23431		3b Administrator's EIN 52-0845861	
		3c Administrator's telephone number 866-551-9423	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	13586
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	9784
a(2) Total number of active participants at the end of the plan year		6a(2)	9686
b Retired or separated participants receiving benefits.....		6b	1880
c Other retired or separated participants entitled to future benefits.....		6c	1500
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	13066
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....		6e	181
f Total. Add lines 6d and 6e		6f	13247
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	971
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan SMITHFIELD FOODS HOURLY PENSION PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 SMITHFIELD FOODS, INC.	D Employer Identification Number (EIN) 52-0845861

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
JOHN HANCOCK LIFE INSURANCE COMPANY U.S.A.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
01-0233346	65838	GAC 80 ASSN O	310	01/01/2015	12/31/2015

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	3829574

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☒ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	432680
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c Additions: (1) Contributions deposited during the year	7c(1)	0
(2) Dividends and credits	7c(2)	0
(3) Interest credited during the year	7c(3)	36841
(4) Transferred from separate account	7c(4)	626321
(5) Other (specify below)	7c(5)	14173

▶ DR ANNUAL ADJUSTMENTS

(6) Total additions	7c(6)	677335
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d Total of balance and additions (add lines 7b and 7c(6))	7d	1110015
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	588667
(2) Administration charge made by carrier	7e(2)	30999
(3) Transferred to separate account	7e(3)	0
(4) Other (specify below)	7e(4)	0

(5) Total deductions	7e(5)	619666
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	490349
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan SMITHFIELD FOODS HOURLY PENSION PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SMITHFIELD FOODS, INC.	D Employer Identification Number (EIN) 52-0845861
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 01 Day 01 Year 2015			
2	Assets:			
a	Market value	2a	133801032	
b	Actuarial value	2b	130434995	
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a	For retired participants and beneficiaries receiving payment	1940	34739954	34739954
b	For terminated vested participants	1863	15368859	15368859
c	For active participants	9784	51230786	57356611
d	Total	13587	101339599	107465424
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5	6.46%	
6	Target normal cost	6	5696389	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>10/05/2016</div> <div>Signature of actuary</div> <div>DANIEL M. SECKAR</div> <div>Type or print name of actuary</div> <div>MERCER</div> <div>Firm name</div> <div>SIX PPG PLACE PITTSBURGH, PA 15222</div> <div>Address of the firm</div>	<div>10/05/2016</div> <div>Date</div> <div>14-06799</div> <div>Most recent enrollment number</div> <div>412-355-8800</div> <div>Telephone number (including area code)</div>
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Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>10.54</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		26105779
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.67</u> %		1741255
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance.....		27847034
d Portion of (c) to be added to prefunding balance		17000000
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	17000000

Part III Funding Percentages		
14 Funding target attainment percentage.....	14	105.55 %
15 Adjusted funding target attainment percentage	15	121.37 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	100.32 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/04/2016	11000000	0			
09/14/2016	500000	0			
			Totals ►	18(b)	11500000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	10776682
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?..... ☐ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6)	31a	5696389										
b Excess assets, if applicable, but not greater than line 31a	31b	5696389										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment	0	0										
b Waiver amortization installment	0	0										
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....	0	17000000	17000000									
36 Additional cash requirement (line 34 minus line 35)	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	10776682										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	10776682										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0										
40 Unpaid minimum required contributions for all years.....	40	0										

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury</div> <div>Internal Revenue Service</div> <div>Department of Labor</div> <div>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan SMITHFIELD FOODS HOURLY PENSION PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 SMITHFIELD FOODS, INC.	D Employer Identification Number (EIN) 52-0845861	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
--

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

JOHN HANCOCK LIFE INSURANCE COMPANY

01-0233346

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
73	NONE	24807	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2015 <hr/> This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>SMITHFIELD FOODS HOURLY PENSION PLAN</u>	B Three-digit plan number (PN) ► <u>003</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>SMITHFIELD FOODS, INC.</u>	D Employer Identification Number (EIN) <u>52-0845861</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: SMITHFIELD FOODS MASTER TRUST

b Name of sponsor of entity listed in (a): SMITHFIELD FOODS, INC.

c EIN-PN <u>13-4103752-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>122102929</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: S&P 500 INDEX STOCK FUND - 1A

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE COMPANY U.S.A.

c EIN-PN <u>01-0233346-006</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>142224</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: BOND FUND - 1D

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE COMPANY U.S.A.

c EIN-PN <u>01-0233346-009</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>846739</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: DIVERSIFIED STOCK FUND - 1K

b Name of sponsor of entity listed in (a): JOHN HANCOCK LIFE INSURANCE COMPANY U.S.A.

c EIN-PN <u>01-0233346-011</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2840611</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>		
A Name of plan <u>SMITHFIELD FOODS HOURLY PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SMITHFIELD FOODS, INC.</u>	D Employer Identification Number (EIN) <u>52-0845861</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	27000000	11500000
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)	4263016	3829574
	(11) Value of interest in master trust investment accounts	1c(11)	102923767	122102929
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	432680	490349
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	134619463	137922852

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	134619463	137922852
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	11500000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		11500000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		231858
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-579618
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		36841
d Total income. Add all income amounts in column (b) and enter total	2d		11189081

Expenses**e** Benefit payment and payments to provide benefits:

(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7314590	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		7314590
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	571102	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		571102
j Total expenses. Add all expense amounts in column (b) and enter total	2j		7885692

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3303389
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KREISCHER MILLER

(2) EIN: 23-1980475

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			3500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

<div>A Name of plan SMITHFIELD FOODS HOURLY PENSION PLAN</div>	<div>B Three-digit plan number (PN) ► 003</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 SMITHFIELD FOODS, INC.</div>	<div>D Employer Identification Number (EIN) 52-0845861</div>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 25-1926855		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.			
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	664

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.				
5	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6	a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
	b Enter the amount contributed by the employer to the plan for this plan year	6b		
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.				
7	Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8	If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11	a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
	b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12	Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: <u>42.0</u> % Investment-Grade Debt: <u>44.0</u> % High-Yield Debt: <u>0.0</u> % Real Estate: <u>1.0</u> % Other: <u>13.0</u> %
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

SMITHFIELD FOODS HOURLY PENSION PLAN

**Financial Statements
December 31, 2015 and 2014**

Kreischer
Miller

PEOPLE | IDEAS | SOLUTIONS

SMITHFIELD FOODS HOURLY PENSION PLAN
December 31, 2015 and 2014

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Independent Auditors' Report

The Participants and Plan Administrator
Smithfield Foods Hourly Pension Plan
Smithfield, Virginia

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Smithfield Foods Hourly Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 4 and 6, which was certified by The Bank of New York Mellon/BNY Mellon N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that The Bank of New York Mellon/BNY Mellon N.A. holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2015 and 2014 that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. Accordingly, we do not express an opinion on the financial statements.

Other Matter - Supplemental Schedule

The supplemental Schedule H Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2015 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in cursive script that reads "Kreischer Miller". The signature is written in black ink and is positioned above the printed name and date.

Horsham, Pennsylvania
October 5, 2016

SMITHFIELD FOODS HOURLY PENSION PLAN

Statements of Net Assets Available for Benefits December 31, 2015 and 2014

	2015	2014
Assets:		
Investments, at fair value:		
Investment in Smithfield Foods Master Trust	\$ 122,102,929	\$ 102,923,767
Pooled separate accounts	3,829,574	4,263,016
Insurance contract	490,349	432,680
Total investments	126,422,852	107,619,463
Employer contributions receivable	11,500,000	27,000,000
Net assets available for benefits	\$ 137,922,852	\$ 134,619,463

See accompanying notes to financial statements.

SMITHFIELD FOODS HOURLY PENSION PLAN

Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2015 and 2014

	2015	2014
Additions to net assets attributed to:		
Investment income (loss):		
Net investment income (loss) from Smithfield Foods Master Trust	\$ (579,618)	\$ 11,627,909
Net appreciation in fair value of investments	231,858	390,583
Interest and dividends	36,841	39,028
Total investment income (loss)	(310,919)	12,057,520
Employer contributions	11,500,000	34,000,000
Total additions	11,189,081	46,057,520
Deductions from net assets attributed to:		
Benefits paid to participants	7,314,590	28,256,964
Administrative fees	571,102	606,870
Total deductions	7,885,692	28,863,834
Net increase	3,303,389	17,193,686
Net assets available for benefits:		
Beginning of year	134,619,463	117,425,777
End of year	\$ 137,922,852	\$ 134,619,463

See accompanying notes to financial statements.

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(1) Description of Plan

The following description of the Smithfield Foods Hourly Pension Plan (the Plan) provides general information only. Participants should refer to the plan agreement for a more complete description of the plan provisions.

General

The Plan was created effective January 1, 1989, as a defined benefit plan covering substantially all hourly production employees of Smithfield Foods, Inc. (Smithfield) and all affiliated employers who have adopted the Plan (collectively, the Company). Employees must have completed one year of service and attained age 21 to participate in the Plan. The Plan is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

During 2006, Con Agra Foods, Inc. (Con Agra) was acquired by Smithfield. Effective October 2, 2006, Con Agra adopted the Plan and certain union employees of Con Agra are now covered by the Plan and were granted past vesting service.

During 2007, Premium Standard Farms, LLC (PSF) was acquired by Smithfield. Effective January 1, 2008, PSF adopted the Plan and certain employees are now covered by the Plan and were granted past vesting service.

During 2014, the Plan was amended to include certain employees of the PCI-Sioux Center, IA and the Grayson, KY plants. This change in plan provision resulted in an increase to the actuarial present value of accumulated plan benefits (See Note 7).

The majority of the Plan's investments are in the Smithfield Foods Master Trust (the Master Trust). The Master Trust was created to hold investment assets of the Plan as well as investment assets of several other plans sponsored by Smithfield or its subsidiaries (collectively, the Participating Plans).

Plan Administration

Overall responsibility for administering the Plan rests with Smithfield. The Smithfield Foods, Inc. Administrative Committee and Investment Committee (the Committees) are responsible for oversight of the Plan, determine the appropriateness of the Plan's investment holdings, monitor investment performance, and control and manage the operation and administration of the Plan. The Committees report directly to the audit committee and the Board of Directors.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements
December 31, 2015 and 2014

(1) Description of Plan, Continued

Funding Policy

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan in the amount required under government regulations, plus amounts necessary to maintain an 80% funded status in order to avoid benefit restrictions under the Pension Protection Act. The Company met the minimum funding requirements of ERISA for the years ended December 31, 2015 and 2014.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

Pension Benefits

Pension benefits vary depending on the location, bargaining agreement and participating employer in which the employee participates. Generally, participants are entitled to a lifetime annual benefit beginning at normal retirement age (65) equal to a factor of \$96 - \$240 times years of credited service. The factor depends on the years that service was credited. The Plan permits early retirement at ages 60 to 64 and ten years of service with reduced benefits.

During 2014, the Plan provided the opportunity for term vested individuals to receive a lump sum cash out of their accrued benefit, resulting in a decrease to the actuarial present value of accumulated plan benefits (See Note 7).

Death and Disability Benefits

The spouse of an active participant who dies with at least five years of service is eligible for a death benefit. The benefit is payable at early retirement as if the participant had survived to retirement and elected the joint and 50% survivor benefit.

A participant with ten years of service who has reached the age of 45 and is totally and permanently disabled is eligible for a benefit equal to the normal retirement benefit based on service to termination.

Former Smithfield Packing Co., Inc. Pension Plan for Bargaining Employees

Pension Benefits

Employees with five or more years of service are entitled to monthly pension benefits beginning at normal retirement age (65) at varying rates, depending on the collective bargaining agreement under which the employee is covered. The Plan permits early retirement at ages 60 to 64 with reduced benefits.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements
December 31, 2015 and 2014

(1) Description of Plan, Continued

Death and Disability Benefits, Continued

The spouse of an active participant who dies with at least five years of service is eligible for a death benefit. The benefit is payable at early retirement as if the participant had survived to retirement and elected the joint and 50% survivor benefit.

A participant with ten years of service who has reached the age of 45 and is totally and permanently disabled is eligible for a benefit equal to the normal retirement benefit based on service to termination.

Former Esskay, Inc. Pension Plan and ConAgra Foods, Inc. Pension Plan

Pension Benefits

Due to a partial termination of the Plan occurring in 1992, the benefits of all former Esskay employees in the Plan became fully vested. Participants are entitled to a lifetime benefit beginning at normal retirement age (65) equal to a factor of \$84 - \$366 times years of credited service. The factor depends on location and the years that service was credited. The Plan permits early retirement at ages 55 to 64 with reduced benefits.

The former employees of ConAgra who adopted the plan are entitled to monthly pension benefits at normal retirement age (65) at varying rates, depending on the collective bargaining agreement under which the employee is covered. The Plan permits early retirement at ages 55 to 64 with reduced benefits.

Death and Disability Benefits

The spouse of an active participant who dies with at least five, ten or fifteen years of service, depending on location, is eligible for a death benefit. The benefit is payable at early retirement as if the participant had survived to retirement and elected the joint and 50% survivor benefit.

A participant with five or ten years of service who is totally and permanently disabled may be eligible for a benefit equal to the normal retirement benefit based on service to termination depending on location.

Former Gwaltney of Smithfield, Ltd. Pension Plan for Bargaining Employees

Pension Benefits

Participants are entitled to a lifetime annual benefit beginning at normal retirement age (65) equal to a factor of \$96 - \$204 times years of credited service. The factor depends on the years that service was credited. The Plan permits early retirement at ages 55 to 64 and ten years of service with reduced benefits.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(1) Description of Plan, Continued

Death and Disability Benefits, Continued

The spouse of an active participant who dies with at least five years of service is eligible for a death benefit. The benefit is payable at the earliest date the participant would have been eligible for benefit as if the participant had survived and elected joint and survivor 50% benefit.

A participant with fifteen years of service who is totally and permanently disabled is eligible for a benefit equal to normal retirement benefit based on service to termination.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Committees determine the Plan's valuation policies utilizing information provided by its investment advisors and trustee. See Notes 5 and 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(2) Summary of Significant Accounting Policies, Continued

Smithfield Foods Master Trust

The fair value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income (loss) less actual distributions and allocated administrative expenses.

Net investment income (loss) from the Master Trust includes the Plan's share of interest, dividends, and net realized and unrealized appreciation (depreciation) of the fair value of the Master Trust's investments. Although the investment assets of the Participating Plans are commingled in the Master Trust, the trustee maintains supporting records for the purpose of allocating the net investment income (loss) of the Master Trust to the Participating Plans. All interest, dividends, and net appreciation (depreciation) of the Master Trust are allocated in accordance with the Master Trust's investment asset pools.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

The Plan's administrative expenses are paid by either the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net assets available for benefits. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan. Certain expenses of maintaining the Plan were paid by the Company during 2015 and 2014.

Recent Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities That Calculate Net Asset Value (NAV) per Share (or Its Equivalent)*. ASU 2015-07 removes the requirement to categorize, within the fair value hierarchy (Note 5), all investments for which fair value is measured using the NAV per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of financial position. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(2) Summary of Significant Accounting Policies, Continued

Recent Accounting Pronouncements, Continued

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. The amendments in Parts I and III are not applicable to the Plan. The objective of Part II is to simplify, and make more effective, the investment disclosure requirements under topics 820, 960, 962 and 965 for employee benefit plans. The amendments simplify the measurement of investments and investment-related accounts while not significantly reducing the relevance of the information to users. Furthermore, the disclosures increase the transparency of the measurement date used and events that occur between the measurement date and the Plan's fiscal year end.

The amendments in ASU 2015-12 and 2015-07 are effective for fiscal years beginning after December 15, 2015 and 2016, respectively. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. The Plan has elected to forego early adoption of the updates for the year ended December 31, 2015.

Subsequent Events

The Plan has evaluated subsequent events through October 5, 2016, the date the financial statements were available to be issued.

(3) Investments

The following presents a summary of the Plan's investments at December 31:

	2015	2014
Investments at fair value:		
Investment in Smithfield Foods Master Trust	\$ 122,102,929 *	\$ 102,923,767 *
Pooled separate accounts	3,829,574	4,263,016
Insurance contract	490,349	432,680
Total investments	\$ 126,422,852	\$ 107,619,463

*Represents 5% or more of the Plan's assets at year end.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(3) Investments, Continued

During 2015 and 2014 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) as follows:

	2015	2014
Investment income (loss):		
Net investment income (loss) from Smithfield Master Trust	\$ (579,618)	\$ 11,627,909
Net appreciation in fair value of investments:		
Pooled separate accounts	231,858	390,583
	<u>\$ (347,760)</u>	<u>\$ 12,018,492</u>

(4) Financial Information Certified by the Trustee

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by The Bank of Mellon/ NY Mellon N.A. (Mellon), the trustee of the Plan, as complete and accurate, except for comparing such information certified by the trustee to information included in the Plan's financial statements and supplemental schedule. The trustee has certified the following as complete and accurate:

- The investments at fair value at December 31, 2015 and 2014.
- Net investment income (loss) from Smithfield Foods Master Trust for the years ended December 31, 2015 and 2014.
- Net appreciation in fair value of investments for the years ended December 31, 2015 and 2014.
- Interest and dividend income for the years ended December 31, 2015 and 2014.
- Schedule H, Line 4i - Schedule of Assets (Held at End of Year).

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(5) Fair Value Measurements

FASB *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Plan's interest in the Master Trust: See Note 6 for valuation methodology.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(5) Fair Value Measurements, Continued

Pooled separate accounts: Valued at the NAV of units held by the Plan at year end based on the market value of its underlying investments. Although the pooled separate accounts are not available in an active market, the NAV of the units is approximated based on the quoted prices of the underlying investments that are traded in an active market. The Company has no unfunded commitments related to any of these investments and there are no Plan initiated redemption restrictions on these investments. There are no redemption restrictions on participant's holdings in the investments and the Plan can redeem these investments daily.

Insurance contract: Represents investment in an insurance contract valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets, excluding the investment in Master Trust, at fair value as of December 31, 2015 and 2014:

Assets at Fair Value as of December 31, 2015				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts:				
Equity	\$ -	\$ 2,982,835	\$ -	\$ 2,982,835
Fixed income	-	846,739	-	846,739
Total pooled separate accounts	-	3,829,574	-	3,829,574
Insurance contract	-	-	490,349	490,349
Total assets at fair value	\$ -	\$ 3,829,574	\$ 490,349	\$ 4,319,923
Assets at Fair Value as of December 31, 2014				
	Level 1	Level 2	Level 3	Total
Pooled separate accounts:				
Equity	\$ -	\$ 3,412,896	\$ -	\$ 3,412,896
Fixed income	-	850,120	-	850,120
Total pooled separate accounts	-	4,263,016	-	4,263,016
Insurance contract	-	-	432,680	432,680
Total assets at fair value	\$ -	\$ 4,263,016	\$ 432,680	\$ 4,695,696

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(5) Fair Value Measurements, Continued

Level 3 Gains and Losses

The following tables illustrates the activity of the level 3 assets held outside of the Master Trust measured at fair value on a recurring basis for the years ended December 31, 2015 and 2014:

	Insurance Contract	
	2015	2014
Beginning balance	\$ 432,680	\$ 527,430
Purchases	682,020	608,793
Sales	(624,351)	(703,543)
Ending balance	\$ 490,349	\$ 432,680

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(6) Interest in Master Trust (Unaudited)

The Plan invests the majority of its plan assets in the Master Trust. The Master Trust was created to hold the investment assets of the Participating Plans. The assets of the Master Trust are held by Mellon as of and for the years ended December 31, 2015 and 2014. The Plan's interest in the net assets of the Master Trust was approximately 9% at December 31, 2015 and 2014.

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Mellon, the trustee of the Master Trust, as complete and accurate, except for comparing such information certified by the trustee to information included in the Plan's financial statements and supplemental schedule.

The trustee has certified to the accuracy and completeness of the investment in the net assets of the Master Trust at fair value as of December 31, 2015 and 2014, and the net investment income (loss) of the Master Trust for the years then ended, as summarized below.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(6) Interest in Master Trust (Unaudited), Continued

The following table presents the investments of the Master Trust as of December 31:

	2015	2014
Investments at fair value:		
Common collective trusts	\$ 724,157,424	\$ 644,937,553
Common stock	343,316,230	358,092,891
Limited partnerships	85,908,324	84,532,170
Alternative investments	9,397,771	20,822,541
Registered investment companies	75,980,182	86,768,722
Corporate debt	28,138,969	391,852
Foreign exchange funds	27,784,017	22,551
Cash equivalents	14,158,467	1,758,703
Preferred stock	998,979	3,401,099
	<u>1,309,840,363</u>	<u>1,200,728,082</u>
Cash	8,161,058	5,536,190
Receivables	111,472,570	71,621,708
Liabilities	(113,798,688)	(70,797,473)
	<u>\$ 1,315,675,303</u>	<u>\$ 1,207,088,507</u>

Investment income (loss) for the Master Trust was as follows for the years ended December 31:

	2015	2014
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments:		
Common collective trusts	\$ (35,942,167)	\$ 85,272,748
Common stock	13,639,797	13,583,874
Limited partnerships	5,448,856	7,908,086
Alternative investments	(175,337)	511,989
Registered investment companies	782,701	3,106
Corporate debt	(468,698)	122,217
Foreign exchange funds	1,148,389	10,860,354
Cash equivalents	3,993	(60,121)
Preferred stock	(173,800)	(572,048)
	<u>(15,736,266)</u>	<u>117,630,205</u>
Interest	442,926	129,952
Dividends	7,880,268	9,495,368
Other	2,270,569	335,572
	<u>\$ (5,142,503)</u>	<u>\$ 127,591,097</u>

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(6) Interest in Master Trust (Unaudited), Continued

Following is a description of the valuation methodologies used for assets measured at fair value held by the Master Trust.

Common collective trusts: Valued at the NAV of units of a bank collective trust. The NAV as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Limited partnerships: The valuation of limited partnership investments requires the use of significant unobservable inputs due to the absence of quoted market prices, inherent lack of liquidity and long-term nature of such assets; such unobservable inputs are classified as level 3. These investments are initially valued at cost with quarterly valuations performed utilizing available market data to determine the fair value of these investments. Such market data consists primarily of the observations of trading multiples of public companies considered comparable to the investments with adjustments for investment-specific issues, the lack of liquidity and other items. For the majority of the limited partnerships, redemptions are not permitted, except those received through distributions, at such time as determined by the partnerships, which are expected through various fund termination dates ranging from March 31, 2016 to December 31, 2043. Other redemptions are permitted on a monthly, quarterly, or annual basis with prior written notice. In connection with these investments, the Master Trust has entered into capital commitments, of which approximately \$65,500,000 remains outstanding as of December 31, 2015.

Alternative investments: The fair values of alternative investments are obtained from pricing services, broker quotes or other model-based valuation techniques with observable inputs and classified as level 2. The nature of these alternative investments include instruments for which quoted prices are available but traded less frequently, instruments whose fair value has been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from or corroborated by observable market data and securities that are valued using other financial instruments, the parameters of which can be directly observed. Level 2 alternative investments include diversified investment funds, domestic options contracts and futures contracts.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements
December 31, 2015 and 2014

(6) Interest in Master Trust (Unaudited), Continued

Registered investment companies: Valued at the daily closing price as reported by the registered investment company. Registered investment companies held by the Plan are open end mutual funds that are registered with the Securities and Exchange Commission. These investments are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Corporate debt: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings, recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads.

Foreign exchange funds: Valued using pricing models based on the prevailing forward exchange rate of the underlying currencies taking into account the counterparties' creditworthiness.

Cash equivalents: Valued at the closing price reported on the active market on which the individual securities are traded.

Preferred stock: Represents investments in preferred stock valued at fair value using recent activity for similar instruments.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(6) Interest in Master Trust (Unaudited), Continued

The following tables set forth by level, within the fair value hierarchy, the Master Trust's investments at fair value:

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Common collective trusts:				
Domestic	\$ -	\$ 692,253,390	\$ -	\$ 692,253,390
International	-	31,904,034	-	31,904,034
Total common collective trusts	-	724,157,424	-	724,157,424
Common stock:				
Healthcare	42,680,701	-	-	42,680,701
Financials	66,526,989	-	-	66,526,989
Consumer staples	20,098,225	-	-	20,098,225
Consumer discretionary	24,545,828	-	-	24,545,828
Energy	16,821,094	-	-	16,821,094
Technology	59,952,815	-	-	59,952,815
Industrials	57,089,098	-	-	57,089,098
Telecommunications	7,533,589	-	-	7,533,589
Services	36,523,081	-	-	36,523,081
Utilities	6,676,177	-	-	6,676,177
Other	4,868,633	-	-	4,868,633
Total common stock	343,316,230	-	-	343,316,230
Limited partnerships	-	-	85,908,324	85,908,324
Alternative investments	-	9,397,771	-	9,397,771
Registered investment companies:				
Money market fund	74,742,997	-	-	74,742,997
Other	1,237,185	-	-	1,237,185
Total registered investment companies	75,980,182	-	-	75,980,182
Corporate debt	-	28,138,969	-	28,138,969
Foreign exchange funds	-	27,784,017	-	27,784,017
Cash equivalents	14,158,467	-	-	14,158,467
Preferred stock	-	998,979	-	998,979
Total assets at fair value	\$ 433,454,879	\$ 790,477,160	\$ 85,908,324	\$ 1,309,840,363

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(6) Interest in Master Trust (Unaudited), Continued

	Assets at Fair Value as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Common collective trusts:				
Domestic	\$ -	\$ 607,599,674	\$ -	\$ 607,599,674
International	-	37,337,879	-	37,337,879
Total common collective trusts	-	644,937,553	-	644,937,553
Common stock:				
Healthcare	39,800,698	-	-	39,800,698
Financials	72,969,558	-	-	72,969,558
Consumer staples	10,313,961	-	-	10,313,961
Consumer discretionary	26,257,219	-	-	26,257,219
Energy	21,012,545	-	-	21,012,545
Technology	60,490,390	-	-	60,490,390
Industrials	50,412,953	-	-	50,412,953
Telecommunications	9,064,353	-	-	9,064,353
Services	52,746,109	-	-	52,746,109
Utilities	6,855,635	-	-	6,855,635
Other	8,169,470	-	-	8,169,470
Total common stock	358,092,891	-	-	358,092,891
Limited partnerships	-	-	84,532,170	84,532,170
Alternative investments	-	20,822,541	-	20,822,541
Registered investment companies:				
Money market fund	86,632,828			86,632,828
Other	135,894			135,894
Total registered investment companies	86,768,722	-	-	86,768,722
Corporate debt	-	391,852	-	391,852
Foreign exchange funds	-	22,551	-	22,551
Cash equivalents	1,758,703	-	-	1,758,703
Preferred stock	-	3,401,099	-	3,401,099
Total assets at fair value	\$ 446,620,316	\$ 669,575,596	\$ 84,532,170	\$ 1,200,728,082

Master Trust assets above do not include net receivables and payables for unsettled trades as well as accrued income and cash.

The Master Trust recognizes transfers between the levels as of the beginning of the reporting period. There were no transfers for the years ended December 31, 2015 and 2014.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(6) Interest in Master Trust (Unaudited), Continued

Level 3 Gains and Losses

The following table illustrates the activity of the Master Trust's level 3 assets measured at fair value on a recurring basis for the years ended December 31:

	Limited Partnerships	
	2015	2014
Beginning balance	\$ 84,532,170	\$ 65,166,009
Realized gains	8,185,187	6,093,573
Unrealized gains (losses) relating to instruments still held at the reporting date	(2,736,331)	1,814,513
Purchases	23,522,474	34,886,897
Sales	(27,595,176)	(23,428,822)
Ending balance	\$ 85,908,324	\$ 84,532,170

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Master Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(7) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Participant benefits are based on a set dollar amount multiplied by years of benefit service, as defined in the plan document.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary, Mercer Human Resource Consulting, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(7) Actuarial Present Value of Accumulated Plan Benefits, Continued

The significant actuarial assumptions underlying the valuations as of January 1, 2015 and 2014 were as follows:

Interest rate	7.50%
Discount rate	4.30% (5.25% as of January 1, 2014)
2015 Mortality:	
Healthy Participants:	
Non-annuitants	RP-2014 healthy, sex-distinct, no collar table, adjusted to remove post-2007 projection factors, projected using the MMP-2007 Mercer-developed scale based on MP-2014, but adjusted to grade down to an ultimate 0.75% improvement rate over 10 years (from 2007 to 2017)
Annuitants	Mercer Industry Longevity Experience Study mortality table for males and females for the Consumer Goods and Food & Drink Industry with no collar, projected using the MMP-2007 Mercer-developed scale based on MP-2014, but adjusted to grade down to an ultimate 0.75% improvement rate over 10 years (from 2007 to 2017)
Disabled Participants	Revenue Ruling 96-7 tables for disabled participants
2014 Mortality:	
Healthy Participants	RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA
Disabled Participants	Revenue Ruling 96-7 tables for disabled participants
Retirement age	Attained age 65
Funding method	Unit Credit Actuarial Cost Method

The actuarial present value of accumulated plan benefits is as follows as of January 1:

	2015	2014
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Active participants	\$ 44,356,121	\$ 40,768,968
Inactive participants with deferred benefits	13,780,266	27,970,824
Inactive participants receiving benefits	31,731,428	26,988,777
	89,867,815	95,728,569
Nonvested benefits	5,332,755	5,756,717
Total actuarial present value of accumulated plan benefits	\$ 95,200,570	\$ 101,485,286

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(7) Actuarial Present Value of Accumulated Plan Benefits, Continued

The change in the actuarial present value of accumulated plan benefits is as follows for the years ended January 1:

	2015	2014
Actuarial present value of accumulated plan benefits at beginning of year	\$ 101,485,286	\$ 88,615,621
Increase during the year attributable to:		
Benefits accumulated and losses	13,593,444	7,078,588
Increase for interest due to decrease in discount period	6,463,457	6,704,084
Benefits paid	(28,256,964)	(3,897,812)
Change in actuarial assumptions	1,915,347	3,635,993
Terminated vested cashout (See Note 1)	-	(1,683,976)
Change in plan provision (See Note 1)	-	1,032,788
Actuarial present value of accumulated plan benefits at end of year	\$ 95,200,570	\$ 101,485,286

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2015 and 2014. Had the valuations been performed as of December 31, there would be no material differences.

(8) Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.

Continued...

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(8) Plan Termination, Continued

2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency up to the applicable limitations).
3. All other vested benefits (that is, vested benefits not insured by the PBGC).
4. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during 2016, that ceiling is \$5,011 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits, should the Plan be terminated at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the plan sponsor and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

(9) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 23, 2008, that the Plan and related trust are designed in accordance with applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

SMITHFIELD FOODS HOURLY PENSION PLAN

Notes to Financial Statements December 31, 2015 and 2014

(10) Related Party Transactions and Party-In-Interest Transactions

The Plan invests in the Master Trust, which is managed by Smithfield. The Master Trust invests in a money market fund and common stock managed by the trustee.

The Master Trust pays fees to various parties-in-interest on behalf of the Participating Plans. Fees paid to parties-in-interest for 2015 and 2014 were as follows:

	2015	2014
Investment management	\$ 5,662,386	\$ 5,684,427
Consulting	97,576	164,525
	<u>\$ 5,759,962</u>	<u>\$ 5,848,952</u>

(11) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

SUPPLEMENTAL SCHEDULE

SMITHFIELD FOODS HOURLY PENSION PLAN

Plan No: 003

EIN: 52-0845861

Supplemental Schedule

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2015

	(b)	(c)		(e)
(a)	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	Current Value
	Pooled separate accounts:			
	John Hancock	Diversified Stock Fund	\$ 217,317	\$ 2,840,611
	John Hancock	S&P 500 Index Stock Fund	106,932	142,224
	John Hancock	Bond Fund	439,321	846,739
	Insurance contract:			
	John Hancock	Group Annuity Contract 80	490,349	490,349
			<u>\$ 1,253,919</u>	<u>\$ 4,319,923</u>

Schedule SB, Line 26 — Schedule of Active Participant Data**Distribution of Active Participants as of January 1, 2014**

Attained age	Years of credited service										Total
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	
Under 25	18	823	38								879
25–29	18	854	377	25							1,274
30–34	17	572	472	149	21						1,231
35–39	12	489	379	138	96	4					1,118
40–44	11	474	370	128	112	46	2				1,143
45–49	10	440	398	126	132	71	20				1,197
50–54	6	376	417	134	143	88	34	18			1,216
55–59	5	358	347	114	131	70	21	60	1		1,107
60–64	2	150	171	56	67	35	9	28	2	2	522
65–69		20	33	11	11	4	1	9			89
70 & up		3	1		2	1		1		3	8
Total	99	4,559	3,003	881	715	319	87	116	3	2	9,784

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment		
▪ Look-back months	4		
		<u>Stabilized rates</u>	<u>Nonstabilized rates</u>
▪ First 5 years		4.72%	1.15%
▪ Next 15 years		6.11%	4.06%
▪ Over 20 years		6.81%	5.15%

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static separate generational annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
• Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995
• Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits

Other economic assumptions

▪ Flat-dollar benefit increases	Not applicable
▪ Expected investment return	7.75% per year for year 2013. 7.50% per year for year 2014
▪ Expenses	\$0 added to current year normal cost

Demographic assumptions

▪ Withdrawal	Client specific table. See table of sample rates.
▪ Disability incidence	1985 Pension Disability Study Table Class 1 for males and females. See table of sample rates. 100% of participants becoming disabled are assumed to be eligible for Social Security disability benefits.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- Retirement age

- Esskay St. Charles employees

Attained age	Percentage
55-57	5.0%
58	10.0
59	7.5
60-64	25.0
65	100.0

For St. Charles employees who have more than 30 years of service, 50% are assumed to retire in the first year after attaining 30 years of service, and 10% thereafter.

- Esskay Mason City employees,
Gwaltney Union employees and
Smithfield Foods hourly employees

Attained age	Percentage
55	5.0%
56	10.0
57-59	5.0
60	10.0
61-62	22.5
63	15.0
64	20.0
65-69	40.0
70	100.0

- Smithfield Foods Packing Company
employees

Attained age	Percentage
60	20.0%
61	35.0
62	40.0
63-64	30.0
65-69	40.0
70	100.0

Benefit commencement age for

- Future vested deferred 65
- Current vested deferred 65

- | | | |
|-----------------------|--------------------------|----------------------------|
| Spouse assumptions | <u>Male participants</u> | <u>Female participants</u> |
| Percentage married | 80% | 80% |
| Spouse age difference | 3 years younger | 3 years older |

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Form of payment	<u>Lump sum</u>	<u>Single life</u>	<u>75% J&S</u>
▪ Active retirements	0%	70%	30%
▪ Future vested deferred	0%	70%	30%
▪ Future disabilities	0%	100%	0%
▪ Future deaths	0%	100%	0%
▪ Current vested deferred	0%	70%	30%
Unpredictable contingent event assumptions	Not applicable		

Tables of sample rates*Withdrawal rates for employees with less than 5 years of service*

Years of service	Percentage
0	60.0%
1	35.0
2	25.0
3	20.0
4	15.0

Withdrawal rates for employees with more than 5 years of service

Attained Age	Percentage
22	21.5%
32	11.4
42	9.3
52	7.5
62	5.8

Disability terminations from active status

Attained Age	Male	Female
22	.032%	.035%
32	.054	.099
42	.147	.250
52	.465	.660
62	1.475	1.188

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

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Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does have insurance products through John Hancock for certain participants.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan SMITHFIELD FOODS HOURLY PENSION PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">B Three-digit plan number (PN) ▶</td> <td style="width:40%; text-align: center;">003</td> </tr> </table>	B Three-digit plan number (PN) ▶	003
B Three-digit plan number (PN) ▶	003		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SMITHFIELD FOODS, INC.	D Employer Identification Number (EIN) 52-0845861		
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B			
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500			

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value.....	2a	133,801,032	
b Actuarial value.....	2b	130,434,995	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	1,940	34,739,954	34,739,954
b For terminated vested participants.....	1,863	15,368,859	15,368,859
c For active participants.....	9,784	51,230,786	57,356,611
d Total.....	13,587	101,339,599	107,465,424
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate.....	5	6.46%	
6 Target normal cost.....	6	5,696,389	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="text-align: center;"> Signature of actuary </div>	<div style="text-align: center;"> <u>10/5/16</u> Date 1406799 Most recent enrollment number 412-355-8800 Telephone number (including area code) </div>
DANIEL M. SECKAR Type or print name of actuary		
MERCER Firm name		
SIX PPG PLACE PITTSBURGH PA 15222 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>10.54%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		26,105,779
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.67%</u>		1,741,255
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance.....		27,847,034
d Portion of (c) to be added to prefunding balance.....		17,000,000
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	17,000,000

Part III Funding Percentages

14 Funding target attainment percentage	14	105.55%
15 Adjusted funding target attainment percentage	15	121.37%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	100.32%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/04/2016	11,000,000	0			
09/14/2016	500,000	0			
Totals ▶	18(b)	11,500,000	18(c)		0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	10,776,682

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%
			☐ N/A, full yield curve used
b Applicable month (enter code)	21b		4
22 Weighted average retirement age	22		62
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	5,696,389	
b Excess assets, if applicable, but not greater than line 31a	31b	5,696,389	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	17,000,000	17,000,000
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	10,776,682	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	10,776,682	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

Below are the retirement rates for Esskay St. Charles Employees.

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
55	1,000	5.0%	50.0	2,750.0
56	950	5.0%	47.5	2,660.0
57	903	5.0%	45.1	2,572.1
58	857	10.0%	85.7	4,972.8
59	772	7.5%	57.9	3,414.5
60	714	25.0%	178.4	10,706.5
61	535	25.0%	133.8	8,163.7
62	401	25.0%	100.4	6,223.1
63	301	25.0%	75.3	4,742.6
64	226	25.0%	56.5	3,613.4
65	169	100.0%	169.4	11,009.7
Total			1,000.0	60,828.4
Weighted average retirement age:				60.8

Below are the retirement rates for Esskay Mason City Employees, Gwaltney Union Employees, and Smithfield Hourly Employees.

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
55	1,000	5.0%	50.0	2,750.0
56	950	10.0%	95.0	5,320.0
57	855	5.0%	42.8	2,436.8
58	812	5.0%	40.6	2,355.5
59	772	5.0%	38.6	2,276.3
60	733	10.0%	73.3	4,398.3
61	660	22.5%	148.4	9,055.1
62	511	22.5%	115.0	7,132.7
63	396	15.0%	59.4	3,744.7
64	337	20.0%	67.4	4,311.3
65	269	40.0%	107.8	7,005.9
66	162	40.0%	64.7	4,268.2
67	97	40.0%	38.8	2,599.7
68	58	40.0%	23.3	1,583.1
69	35	40.0%	14.0	963.8
70	21	100.0%	21.0	1,466.7
Total			1,000.0	61,668.3
Weighted average retirement age:				61.7

Below are the retirement rates for Smithfield Packing Company Employees.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
60	1,000	20.0%	200.0	12,000.0
61	800	35.0%	280.0	17,080.0
62	520	40.0%	208.0	12,896.0
63	312	30.0%	93.6	5,896.8
64	218	30.0%	65.5	4,193.3
65	153	40.0%	61.2	3,974.9
66	92	40.0%	36.7	2,421.6
67	55	40.0%	22.0	1,475.0
68	33	40.0%	13.2	898.2
69	20	40.0%	7.9	546.8
70	12	100.0%	11.9	832.2
Total			1,000.0	62,214.8
Weighted average retirement age:				62.2

(A) Group	(B) Number of Active Participants	(C) Weighted Average Retirement Age	(B) x (C)
Esskay St. Charles	175	60.8	10,640.0
Esskay Mason City	146	61.7	9,008.2
Gwaltney Union	1,756	61.7	108,345.2
Smithfield Hourly	2,860	61.7	176,462.0
Smithfield Packing	4,796	62.2	298,311.2
Total	9,733		602,766.6
Weighted average retirement age:		61.9	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions****Discount rate sponsor elections**

▪ Segment rates or full yield curve	Segment		
▪ Look-back months	4		
		<u>Stabilized rates</u>	<u>Nonstabilized rates</u>
▪ First 5 years		4.72%	1.15%
▪ Next 15 years		6.11%	4.06%
▪ Over 20 years		6.81%	5.15%

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static separate generational annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
• Pre-1995 disabilities	Revenue Ruling 96-7 table for participants who became disabled before 1995
• Post-1994 disabilities	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits

Other economic assumptions

▪ Flat-dollar benefit increases	Not applicable
▪ Expected investment return	7.75% per year for year 2013. 7.50% per year for year 2014
▪ Expenses	\$0 added to current year normal cost

Demographic assumptions

▪ Withdrawal	Client specific table. See table of sample rates.
▪ Disability incidence	1985 Pension Disability Study Table Class 1 for males and females. See table of sample rates. 100% of participants becoming disabled are assumed to be eligible for Social Security disability benefits.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

- Retirement age

- Esskay St. Charles employees

Attained age	Percentage
55-57	5.0%
58	10.0
59	7.5
60-64	25.0
65	100.0

For St. Charles employees who have more than 30 years of service, 50% are assumed to retire in the first year after attaining 30 years of service, and 10% thereafter.

- Esskay Mason City employees, Gwaltney Union employees and Smithfield Foods hourly employees

Attained age	Percentage
55	5.0%
56	10.0
57-59	5.0
60	10.0
61-62	22.5
63	15.0
64	20.0
65-69	40.0
70	100.0

- Smithfield Foods Packing Company employees

Attained age	Percentage
60	20.0%
61	35.0
62	40.0
63-64	30.0
65-69	40.0
70	100.0

Benefit commencement age for

- Future vested deferred 65
- Current vested deferred 65

	<u>Male participants</u>	<u>Female participants</u>
Spouse assumptions		
Percentage married	80%	80%
Spouse age difference	3 years younger	3 years older

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Form of payment	<u>Lump sum</u>	<u>Single life</u>	<u>75% J&S</u>
▪ Active retirements	0%	70%	30%
▪ Future vested deferred	0%	70%	30%
▪ Future disabilities	0%	100%	0%
▪ Future deaths	0%	100%	0%
▪ Current vested deferred	0%	70%	30%
<hr/>			
Unpredictable contingent event assumptions	Not applicable		

Tables of sample rates*Withdrawal rates for employees with less than 5 years of service*

Years of service	Percentage
0	60.0%
1	35.0
2	25.0
3	20.0
4	15.0

Withdrawal rates for employees with more than 5 years of service

Attained Age	Percentage
22	21.5%
32	11.4
42	9.3
52	7.5
62	5.8

Disability terminations from active status

Attained Age	Male	Female
22	.032%	.035%
32	.054	.099
42	.147	.250
52	.465	.660
62	1.475	1.188

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Actuarial methods

Asset methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

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- **Insurance contracts:** The plan does have insurance products through John Hancock for certain participants.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated January 1, 2011, are included in this valuation.

- **Most recent plan amendments included:** We have not received any signed amendments since the most recent restatement of the plan document.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** This valuation does not value the plan's unpredictable contingent event benefits, which are summarized herein, because the likelihood of an event is de minimis.

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions**

Effective date and plan year	Original plan: January 1, 1989 Restated plan: January 1, 2011 Plan year: January 1 through December 31
Status of the plan	The plan has ongoing benefit accruals for some participants and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	The plan was amended to extend a one-time lump sum opportunity to deferred vested participants during a window in 2014.

Definitions for Smithfield Hourly Employees

Definitions	
▪ Covered employees	All hourly non-union employees who are union-eligible, except employees of Carroll's Foods of Virginia, Inc., Central Plains Farms, Inc., Circle Four Corporation and Murphy Family Farms.
▪ Participation	Employees must have completed 12 months of service and attained age 21 to participate in the plan.
▪ Employee contributions	None required or permitted.
▪ Vesting service	Employees are credited with a Year of Vesting Service for each plan year in which they work at least 1,000 hours. Years of Vesting Service will not be credited prior to the calendar year in which the Employee has attained age eighteen (18).
▪ Credited service	Employment from hire date to termination date measured in whole and fractional years. Credited service for Middlesboro employees is from the later of hire date and January 1, 2010.
▪ Accrued benefit	A participant's earned benefit, commencing at the participant's normal retirement age in the form of a life annuity, determined in the same manner as the participant's normal retirement pension, and based on the participant's years of benefit service at the date the accrued benefit is being calculated. A participant's accrued benefit shall never be less than the accrued benefit on any prior date.
Normal retirement	
▪ Eligibility	Age 65.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	<p>A lifetime benefit equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through December 31, 1993 plus; ▪ \$120 times years of benefit service after December 31, 1993 through December 31, 1999 plus; ▪ \$132 times years of benefit service after December 31, 1999 through December 31, 2001 plus; ▪ \$204 times years of benefit service after December 31, 2001 through June 30, 2007 plus; ▪ \$240 times years of benefit service after June 30, 2007 <p>For all employees of the PCI-Sioux Center, IA plant (formerly Golden Crisp), the lifetime benefit is equal to:</p> <ul style="list-style-type: none"> ▪ \$17 times years of benefit service
Early retirement	
▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of vesting service.
▪ Benefit	The benefit payable is the accrued benefit reduced by 0.5% for each month that the Early Retirement Date precedes the Normal Retirement Date.
Late retirement	
▪ Eligibility	After Normal Retirement Date
▪ Benefit	<p>Benefit calculated as the greater of:</p> <ul style="list-style-type: none"> ▪ Service to the participant's normal retirement date actuarially increased to the actual retirement date or; ▪ Service to actual retirement date.
Deferred vested	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.
Disability	
▪ Eligibility	A participant is eligible upon total and permanent disability after age 45 and 10 years of vesting service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.
▪ Benefit	The benefit payable is the accrued benefit without reduction for early payment.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit prior to early retirement	If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached early retirement eligibility, reduced for early commencement before the date the participant would have reached age 65.
▪ Benefit after normal retirement	Unless a specified election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment.
Unpredictable contingent event benefits	
Form of benefits	
▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100%, 75% or 66⅔%) ▪ 10-Year Certain and Continuous Annuity ▪ Lump sum if less than \$7,500 All options are actuarially reduced.
▪ Optional form conversion factors	<p>Late retirement increase:</p> <ul style="list-style-type: none"> ▪ Mortality Table – UP84 Mortality Table ▪ Interest Rate – 7% <p>Optional form:</p> <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.25% <p>Lump Sum:</p> <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

Schedule SB, Part V — Summary of Plan Provisions*Definitions for Esskay, Inc. Employees*

Definitions	
▪ Covered employees	<p>The plan covers all employees whose wages and other conditions of employment are subject to a collective bargaining agreement.</p> <p><u>St. Charles employees:</u> The plan covers all employees from date of hire. Participation is frozen as of August 2, 2009.</p> <p><u>Mason City employees:</u> The plan covers all employees who have completed 870 hours of service and attained age 21. Participation is frozen as of April 5, 2009.</p>
▪ Participation	<p>Employees must have 12 months of service to participate in the plan. There are no age requirements.</p> <p>Eligibility for membership for all acquisitioned locations, vesting service begins at date of hire, but benefit service begins at acquisition date. Participation is frozen. See dates under Covered employees.</p>
▪ Employee contributions	None required. Voluntary contributions of 3% or 5% were permitted prior to June 13, 1996.
▪ Vesting service	<p>Any Plan Year during which an employee works at least 1,000 hours.</p> <p><u>Mason City employees:</u> One year of vesting service will be granted for each plan year during which an employee works at least 870 hours.</p> <p>Vesting service with ConAgra Foods, Inc. will count as vesting service under this plan for all employees acquired on October 2, 2006.</p>
▪ Credited service	<p>Employment from hire date to termination date measured in whole and fractional years.</p> <p><u>St. Charles employees:</u> A year of service is credited for each calendar year of employment in which a participant works at least 1,700 hours. For years in which more than 500, but less than 1,700 hours are credited, a fractional year of service is credited (based on hours worked/1,700). No service is credited if a participant works less than 500 hours in a calendar year.</p> <p>For the 2006 plan year, a participant who did not complete a year of benefit service in the Swift Eckrich, Inc. Hourly Retirement Plan Program will receive a fractional year of service in this Plan for hours credited after October 2, 2006, if total hours for the 2006 calendar year are greater than 500. A participant credited with 1,000 hours after October 2, 2006 will receive an entire year of service under this Plan.</p> <p>Credited service is frozen as of August 2, 2009.</p>
▪ Credited service (continued)	<p><u>Mason City employees:</u> A year of service is credited for each calendar year of employment in which a participant works at least 1,740 hours. If a participant works less than 1,740 hours in a year, one month of service is credited for each 145 hours worked.</p> <p>For the 2006 plan year, a participant who did not complete a year of benefit service in the ConAgra Foods, Inc. Pension Plan for Hourly Rate Production Employees will be credited one month of service in this Plan for each 145 hours worked after October 2, 2006. A participant credited with 1,000 hours after October 2, 2006 will receive an entire year of service under this Plan.</p> <p>Credited service is frozen as of April 5, 2009.</p>
▪ Accrued benefit	The normal retirement benefit calculated at the date of retirement or termination and reduced as noted below.

Schedule SB, Part V — Summary of Plan Provisions**Normal retirement**

▪ Eligibility	Age 65 or age 60 if the sum of age and service is at least 80. Eligibility for acquired groups differs as noted in the following section.
▪ Benefit	<p>A lifetime benefit equal to the sum of (a) and (b), payable at age 65 or age 60 if the sum of age and service is at least 80:</p> <p>a.</p> <ul style="list-style-type: none"> ▪ \$108 times years of service to the nearest complete month up through March 1, 1990; plus ▪ \$216 for service from March 1, 1990 through February 1, 1991; plus ▪ \$240 for service from February 1, 1991 through February 1, 1992; plus ▪ \$264 for service on February 1, 1992 and all years thereafter. <p>b. 1/5 of total voluntary contributions.</p> <p><u>St. Charles employees:</u> A lifetime benefit payable at age 65, age 60 with five years of service, or upon completion of 30 years of service and equal to:</p> <ul style="list-style-type: none"> ▪ \$330 times years of benefit service through December 31, 2006 plus; ▪ \$342 for service from December 31, 2006 through December 31, 2007 plus; ▪ \$354 for service from December 31, 2007 through December 31, 2008 plus; ▪ \$366 for service from December 31, 2008 through August 2, 2009. <p>A participant who retires with 30 years of service and who has not attained age 62 will receive a \$100 per month supplement until age 62.</p> <p><u>Mason City employees:</u> A lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$264 times years of benefit service through December 31, 2006 plus; ▪ \$276 for service from December 31, 2006 through December 31, 2007 plus; ▪ \$288 for service from December 31, 2007 through April 5, 2009. <p>Total service will not exceed 30 years.</p>
▪ Benefit (continued)	

Early retirement

▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of service.
▪ Benefit	<p>The benefit payable is the accrued benefit reduced 0.5% for each month which the benefit commencement date precedes age 65.</p> <p><u>St. Charles employees:</u> A participant is eligible to retire after age 55 with 5 years of vesting service. The benefit payable is the accrued benefit reduced by 0.5% for each month which the benefit commencement date precedes age 60.</p> <p><u>Mason City employees:</u> A participant is eligible to retire after age 55 with 5 years of vesting service. The benefit payable is the accrued benefit reduced by 0.3% for each month which the benefit commencement date precedes age 65 for the first 5 years, plus 0.5% per month prior to age 60.</p>

Schedule SB, Part V — Summary of Plan Provisions**Late retirement**

▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participants actual retirement date.
▪ Benefit	Benefit calculated like normal retirement benefit using service to the earlier of the actual retirement date and the freeze date. See dates under Covered employees.

Deferred vested

▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 55 is 100% vested in his or her accrued benefit. Due to the partial plan termination that occurred during 1992, the benefits of all involved former employees became fully vested. Voluntary contributions are 100% vested.
▪ Benefit	The benefit is equal to the vested accrued benefit, payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.
▪ Benefit (continued)	<p><u>St. Charles employees:</u> A participant who has completed five or more years of vesting service is 100% vested in his or her accrued benefit. The benefit is equal to the vested accrued benefit, payable at any date after the participant attains early retirement eligibility, reduced 0.5% for each month for which benefit commencement precedes normal retirement.</p> <p><u>Mason City employees:</u> A participant who has completed five or more years of vesting service is 100% vested in his or her accrued benefit. The benefit is equal to the vested accrued benefit, payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65. See the table below for reduction rates.</p>

Age at commencement	Percentage of vested accrued benefit payable
64	88.84%
63	79.12
62	70.64
61	63.22
60	56.69
59	50.94
58	45.86
57	41.36
56	37.37
55	33.81

Disability

▪ Eligibility	A participant is eligible upon total and permanent disability after 15 years of service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act. Eligibility for acquired groups differs as noted below.
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Schedule SB, Part V — Summary of Plan Provisions

St. Charles and Mason City employees: A participant is eligible upon total and permanent disability after 10 years of service.

St. Charles employees: a participant will be deemed totally and permanently disabled if and when he or she becomes permanently unable to perform the duties of any job available at the unit where employed, as determined by the Committee.

Mason City employees: a participant will be deemed totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.

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- **Benefit** The benefit will commence at determination of disability and be computed in the same manner as normal retirement benefits. There is no actuarial reduction for early payment.

Mason City employees: The benefit will commence on the first of the month following disability, but is not payable while receiving Employer sponsored long term disability insurance. The benefit payable is the accrued benefit. There is no actuarial reduction for early payment.

Pre-retirement death

-
- **Eligibility** The spouse of a vested participant. If a nonvested participant dies, no benefits are payable except for the return of employee contributions.
-

- **Benefit before normal retirement** If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached age 55, reduced for early commencement before the date the participant would have reached age 65.

St. Charles employees: If a vested participant dies with less than 10 years of service, the participant's spouse will receive monthly retirement income for life in an amount calculated under the 50% joint and survivor option and reduced for early commencement. The benefit is payable at the participant's 65th birthday, or if elected, the date the participant would have reached age 55, reduced for early commencement. If a vested participant dies with more than 10 years of service, the participant's spouse, or children under the age of 18 in the absence of a spouse, will receive a monthly retirement benefit for life in an amount equal to one half the accrued benefit payable to the surviving spouse at the time of death on an unreduced basis. The benefit is payable on the first of the month following the participant's death.

Mason City employees: If a vested participant dies, the participant's spouse will receive monthly retirement income payable for life in an amount equal to 50% of the participant's accrued benefit. This percentage is increased or decreased by 0.5% for each 12 month period, in excess of 5 years, by which the spouse's age is greater than or less than the participant's age, respectively. The benefit is payable at the later of the participant's death or the date the participant would have reached age 55.

- **Benefit after normal retirement** Death benefits after retirement are automatic unless waived by a member and his or her spouse. Unless a specific election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment. There is also a partial return of the participant's accumulations graduated over five years.

Schedule SB, Part V — Summary of Plan Provisions**Unpredictable contingent event
benefits**

▪ Event	St. Charles employees: Plant or department closing
▪ Eligibility and benefit	St. Charles employees <ul style="list-style-type: none"> ▪ Age 50 but before age 55 and has completed 10 years of vesting service – employer paid benefits until age 55 and then a pension benefit at age 55. ▪ Age 55 with 5 years of vesting service – benefits shall not be reduced for age.

Form of benefits

▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity.
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100% or 75%) ▪ 10 years certain and continuous ▪ Lump sum if less than \$7,500 All options are actuarially reduced.
▪ Optional form conversion factors	Late retirement increase: <ul style="list-style-type: none"> ▪ Mortality Table – GAM71 mortality table for males with 3 year set back. ▪ Interest Rate – 7.00% Optional forms: <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.80% Lump Sum: <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

Schedule SB, Part V — Summary of Plan Provisions*Definitions for Gwaltney of Smithfield, Ltd. Employees***Definitions**

▪ Covered employees	The plan covers all employees whose wages and other conditions of employment are subject to a collective bargaining agreement.
▪ Participation	Employees must have completed 12 months of service and attained age 21 to participate in the plan.
▪ Employee contributions	None required or permitted.
▪ Vesting service	Employment from hire date to termination date measured in whole and fractional years.
▪ Credited service	Employment from hire date to termination date measured in whole and fractional years. Total service is limited to 35 years.
▪ Accrued benefit	Participants earned benefit commencing at the participant's Normal Retirement Age in the form of a life annuity determined in the same manner as the participant's years of benefit service at the date the accrued benefit is being calculated.

Normal retirement

▪ Eligibility	Age 65
▪ Benefit	<p>For Valleydale employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service from September 26, 1992 through July 31, 1995, plus ▪ \$120 times years of benefit service after July 31, 1995. <p>For all other employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through February 5, 1993, plus ▪ \$120 times years of benefit service after February 5, 1993 through April 13, 1997, plus ▪ \$132 times years of benefit service after April 13, 1997 through April 3, 2002, plus ▪ \$204 times years of benefit service after April 3, 2002 through April 3, 2007, plus ▪ \$240 times years of benefit service after April 3, 2007 through June 30, 2011, plus ▪ \$252 times years of benefit service after June 30, 2011.

Schedule SB, Part V — Summary of Plan Provisions**Early retirement**

▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of vesting service.
▪ Benefit	A participant is eligible to retire after age 55 with 10 years of vesting service. The benefit payable is the accrued benefit reduced by 1/180th for each of the first 60 months and by 1/360th for each successive month that the Early Retirement Date precedes the Normal Retirement Date.

Late retirement

▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participants actual retirement date.
▪ Benefit	Benefit calculated as the greater of: <ul style="list-style-type: none"> ▪ Benefit based on service to the participant's normal retirement actuarially increased to the actual retirement date or; ▪ Benefit based on service to actual retirement date.

Deferred vested

▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.

Disability

▪ Eligibility	A participant is eligible upon total and permanent disability after 15 years vesting service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.
▪ Benefit	The benefit will commence at determination of disability and be computed in the same manner as normal retirement benefits based on service at disability. There is no actuarial reduction for early payment.

Pre-retirement death

▪ Eligibility	The spouse of a vested participant who has deceased.
▪ Benefit prior to early retirement	None
▪ Benefit after early but before normal retirement	If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached early retirement eligibility, reduced for early commencement before the date the participant would have reached age 65.
▪ Benefit after normal retirement	Unless a specific election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment.

Unpredictable contingent event benefits

Not applicable

Schedule SB, Part V — Summary of Plan Provisions**Form of benefits**

▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity.
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100%, 75% or 66⅔%) ▪ 10-Year Certain and Continuous Annuity ▪ Lump sum if less than \$7,500 <p>All options are actuarially reduced.</p>
▪ Optional form conversion factors	<p>Late retirement increase:</p> <ul style="list-style-type: none"> ▪ Mortality Table – UP84 Mortality Table ▪ Interest Rate – 7% <p>Optional form:</p> <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.25% <p>Lump Sum:</p> <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

Schedule SB, Part V — Summary of Plan Provisions*Definitions for Smithfield Packing Company, Inc. Employees*

Definitions	
▪ Covered employees	The plan covers all employees whose wages and other conditions of employment are subject to a collective bargaining agreement.
▪ Participation	Employees must have completed 1,000 hours of service or attained age 21 to participate in the plan.
▪ Employee contributions	None required or permitted
▪ Vesting service	Employment from hire date to termination date measured in whole and fractional years.
▪ Benefit service	Employment from hire date to termination date measured in whole and fractional years.
▪ Accrued benefit	Participants earned benefit commencing at the participant's Normal Retirement Age in the form of a life annuity determined in the same manner as the participant's years of benefit service at the date the accrued benefit is being calculated.
Normal retirement	
▪ Eligibility	Age 65
▪ Benefit	<p>For Kinston employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through December 31, 1993 plus ▪ \$120 times years of benefit service after December 31, 1993 through December 31, 1998 plus ▪ \$132 times years of benefit service after December 31, 1998 through December 31, 2002 plus ▪ \$180 times years of benefit service after December 31, 2002 through May 7, 2007 plus ▪ \$240 times years of benefit service of benefit service after May 7, 2007. <p>For Landover employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$252 times years of benefit service. <p>For Grayson employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$252 times years of benefit service from April 15, 2013. <p>For all other employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through December 31, 1993 plus ▪ \$120 times years of benefit service after December 31, 1993 through December 31, 1997 plus ▪ \$132 times years of benefit service after December 31, 1997 through December 31, 2001 plus ▪ \$204 times years of benefit service after December 31, 2001 through June 30, 2007 plus ▪ \$240 times years of benefit service after June 30, 2007.

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
▪ Eligibility	A participant is eligible to retire after age 60 with 10 years of vesting service.
▪ Benefit	The benefit payable is the accrued benefit reduced by 0.5% for each month that the Early Retirement Date precedes the Normal Retirement Date. The minimum benefit, if applicable, is reduced by multiplying the ratio of (1) actual years of benefit service at early retirement to (2) years of benefit service the participant would have had, had he or she remained in service until age 65 (before such benefit is reduced for early retirement).
Late retirement	
▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participants actual retirement date.
▪ Benefit	Benefit calculated as the greater of: <ul style="list-style-type: none"> ▪ Service to the participant's normal retirement date actuarially increased to the actual retirement date or; ▪ Service to actual retirement date.
Deferred vested	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65. For purposes of determining eligibility for an employee hired on or after January 1, 1976, service prior to the plan year in which the participant attains age 22 (18 effective January 1, 1985) will not be counted. An employee terminating before meeting this requirement (but who was, before January 1, 1967 vested under the plan in effect immediately prior to the Effective Date) will be entitled to a benefit of \$20 a month.
Disability	
▪ Eligibility	A participant is eligible upon total and permanent disability after age 45 and 10 years of vesting service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.
▪ Benefit	The benefit will commence at determination of disability and be computed in the same manner as normal retirement benefits based on service at disability. There is no actuarial reduction for early payment.
Pre-retirement death	
▪ Eligibility	Five or more years of vesting service.
▪ Benefit prior to retirement	If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached early retirement eligibility, reduced for early commencement before the date the participant would have reached age 65.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit after normal retirement	Unless a specific election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment.
Unpredictable contingent event benefits	Not applicable
Form of benefits	
▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity.
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100%, 75% or 66⅔%) ▪ 10-Year Certain and Continuous Annuity ▪ Lump sum if less than \$7,500 All options are actuarially reduced.
▪ Optional form conversion factors	<p>Late retirement increase:</p> <ul style="list-style-type: none"> ▪ Mortality Table – UP84 Mortality Table ▪ Interest Rate – 7% <p>Optional form:</p> <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.25% <p>Lump sum:</p> <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

*All Groups***Miscellaneous**

Maximum compensation	Not applicable
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is \$210,000.

Plan Provision Changes since Prior Valuation

- Maximum benefits were updated from 2014 to 2015.
- The plan was amended to extend a one-time lump sum opportunity to deferred vested participants during a window in 2014.

Schedule SB, Line 26 — Schedule of Active Participant Data**Distribution of Active Participants as of January 1, 2014**

Attained age	Years of credited service										Total
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	
Under 25	18	823	38								879
25–29	18	854	377	25							1,274
30–34	17	572	472	149	21						1,231
35–39	12	489	379	138	96	4					1,118
40–44	11	474	370	128	112	46	2				1,143
45–49	10	440	398	126	132	71	20				1,197
50–54	6	376	417	134	143	88	34	18			1,216
55–59	5	358	347	114	131	70	21	60	1		1,107
60–64	2	150	171	56	67	35	9	28	2	2	522
65–69		20	33	11	11	4	1	9			89
70 & up		3	1		2	1		1		3	8
Total	99	4,559	3,003	881	715	319	87	116	3	2	9,784

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

Below are the retirement rates for Esskay St. Charles Employees.

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
55	1,000	5.0%	50.0	2,750.0
56	950	5.0%	47.5	2,660.0
57	903	5.0%	45.1	2,572.1
58	857	10.0%	85.7	4,972.8
59	772	7.5%	57.9	3,414.5
60	714	25.0%	178.4	10,706.5
61	535	25.0%	133.8	8,163.7
62	401	25.0%	100.4	6,223.1
63	301	25.0%	75.3	4,742.6
64	226	25.0%	56.5	3,613.4
65	169	100.0%	169.4	11,009.7
Total			1,000.0	60,828.4
Weighted average retirement age:				60.8

Below are the retirement rates for Esskay Mason City Employees, Gwaltney Union Employees, and Smithfield Hourly Employees.

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
55	1,000	5.0%	50.0	2,750.0
56	950	10.0%	95.0	5,320.0
57	855	5.0%	42.8	2,436.8
58	812	5.0%	40.6	2,355.5
59	772	5.0%	38.6	2,276.3
60	733	10.0%	73.3	4,398.3
61	660	22.5%	148.4	9,055.1
62	511	22.5%	115.0	7,132.7
63	396	15.0%	59.4	3,744.7
64	337	20.0%	67.4	4,311.3
65	269	40.0%	107.8	7,005.9
66	162	40.0%	64.7	4,268.2
67	97	40.0%	38.8	2,599.7
68	58	40.0%	23.3	1,583.1
69	35	40.0%	14.0	963.8
70	21	100.0%	21.0	1,466.7
Total			1,000.0	61,668.3
Weighted average retirement age:				61.7

Below are the retirement rates for Smithfield Packing Company Employees.

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

(A) Retirement Age	(B) Theoretical Population	(C) Retirement Age	(D) Expected Number of Retirements (B) x (C)	(E) Weighted Number of Retirements (A) x (D)
60	1,000	20.0%	200.0	12,000.0
61	800	35.0%	280.0	17,080.0
62	520	40.0%	208.0	12,896.0
63	312	30.0%	93.6	5,896.8
64	218	30.0%	65.5	4,193.3
65	153	40.0%	61.2	3,974.9
66	92	40.0%	36.7	2,421.6
67	55	40.0%	22.0	1,475.0
68	33	40.0%	13.2	898.2
69	20	40.0%	7.9	546.8
70	12	100.0%	11.9	832.2
Total			1,000.0	62,214.8
Weighted average retirement age:				62.2

(A) Group	(B) Number of Active Participants	(C) Weighted Average Retirement Age	(B) x (C)
Esskay St. Charles	175	60.8	10,640.0
Esskay Mason City	146	61.7	9,008.2
Gwaltney Union	1,756	61.7	108,345.2
Smithfield Hourly	2,860	61.7	176,462.0
Smithfield Packing	4,796	62.2	298,311.2
Total	9,733		602,766.6
Weighted average retirement age:		61.9	

Schedule SB, Part V — Summary of Plan Provisions

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated January 1, 2011, are included in this valuation.

- **Most recent plan amendments included:** We have not received any signed amendments since the most recent restatement of the plan document.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan applies late retirement actuarial increases for all participants who defer retirement beyond their normal retirement date and this valuation includes those increases.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.
- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Unpredictable contingent event benefits:** This valuation does not value the plan's unpredictable contingent event benefits, which are summarized herein, because the likelihood of an event is de minimis.

Schedule SB, Part V — Summary of Plan Provisions**Summary of major plan provisions**

Effective date and plan year	Original plan: January 1, 1989 Restated plan: January 1, 2011 Plan year: January 1 through December 31
Status of the plan	The plan has ongoing benefit accruals for some participants and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	The plan was amended to extend a one-time lump sum opportunity to deferred vested participants during a window in 2014.

Definitions for Smithfield Hourly Employees

Definitions	
▪ Covered employees	All hourly non-union employees who are union-eligible, except employees of Carroll's Foods of Virginia, Inc., Central Plains Farms, Inc., Circle Four Corporation and Murphy Family Farms.
▪ Participation	Employees must have completed 12 months of service and attained age 21 to participate in the plan.
▪ Employee contributions	None required or permitted.
▪ Vesting service	Employees are credited with a Year of Vesting Service for each plan year in which they work at least 1,000 hours. Years of Vesting Service will not be credited prior to the calendar year in which the Employee has attained age eighteen (18).
▪ Credited service	Employment from hire date to termination date measured in whole and fractional years. Credited service for Middlesboro employees is from the later of hire date and January 1, 2010.
▪ Accrued benefit	A participant's earned benefit, commencing at the participant's normal retirement age in the form of a life annuity, determined in the same manner as the participant's normal retirement pension, and based on the participant's years of benefit service at the date the accrued benefit is being calculated. A participant's accrued benefit shall never be less than the accrued benefit on any prior date.
Normal retirement	
▪ Eligibility	Age 65.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit	<p>A lifetime benefit equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through December 31, 1993 plus; ▪ \$120 times years of benefit service after December 31, 1993 through December 31, 1999 plus; ▪ \$132 times years of benefit service after December 31, 1999 through December 31, 2001 plus; ▪ \$204 times years of benefit service after December 31, 2001 through June 30, 2007 plus; ▪ \$240 times years of benefit service after June 30, 2007 <p>For all employees of the PCI-Sioux Center, IA plant (formerly Golden Crisp), the lifetime benefit is equal to:</p> <ul style="list-style-type: none"> ▪ \$17 times years of benefit service
Early retirement	
▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of vesting service.
▪ Benefit	The benefit payable is the accrued benefit reduced by 0.5% for each month that the Early Retirement Date precedes the Normal Retirement Date.
Late retirement	
▪ Eligibility	After Normal Retirement Date
▪ Benefit	<p>Benefit calculated as the greater of:</p> <ul style="list-style-type: none"> ▪ Service to the participant's normal retirement date actuarially increased to the actual retirement date or; ▪ Service to actual retirement date.
Deferred vested	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.
Disability	
▪ Eligibility	A participant is eligible upon total and permanent disability after age 45 and 10 years of vesting service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.
▪ Benefit	The benefit payable is the accrued benefit without reduction for early payment.

Schedule SB, Part V — Summary of Plan Provisions

Pre-retirement death	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit prior to early retirement	If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached early retirement eligibility, reduced for early commencement before the date the participant would have reached age 65.
▪ Benefit after normal retirement	Unless a specified election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment.
Unpredictable contingent event benefits	Not applicable
Form of benefits	
▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100%, 75% or 66⅔%) ▪ 10-Year Certain and Continuous Annuity ▪ Lump sum if less than \$7,500 All options are actuarially reduced.
▪ Optional form conversion factors	<p>Late retirement increase:</p> <ul style="list-style-type: none"> ▪ Mortality Table – UP84 Mortality Table ▪ Interest Rate – 7% <p>Optional form:</p> <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.25% <p>Lump Sum:</p> <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

Schedule SB, Part V — Summary of Plan Provisions*Definitions for Esskay, Inc. Employees*

Definitions	
▪ Covered employees	<p>The plan covers all employees whose wages and other conditions of employment are subject to a collective bargaining agreement.</p> <p><u>St. Charles employees:</u> The plan covers all employees from date of hire. Participation is frozen as of August 2, 2009.</p> <p><u>Mason City employees:</u> The plan covers all employees who have completed 870 hours of service and attained age 21. Participation is frozen as of April 5, 2009.</p>
▪ Participation	<p>Employees must have 12 months of service to participate in the plan. There are no age requirements.</p> <p>Eligibility for membership for all acquisitioned locations, vesting service begins at date of hire, but benefit service begins at acquisition date. Participation is frozen. See dates under Covered employees.</p>
▪ Employee contributions	None required. Voluntary contributions of 3% or 5% were permitted prior to June 13, 1996.
▪ Vesting service	<p>Any Plan Year during which an employee works at least 1,000 hours.</p> <p><u>Mason City employees:</u> One year of vesting service will be granted for each plan year during which an employee works at least 870 hours.</p> <p>Vesting service with ConAgra Foods, Inc. will count as vesting service under this plan for all employees acquired on October 2, 2006.</p>
▪ Credited service	<p>Employment from hire date to termination date measured in whole and fractional years.</p> <p><u>St. Charles employees:</u> A year of service is credited for each calendar year of employment in which a participant works at least 1,700 hours. For years in which more than 500, but less than 1,700 hours are credited, a fractional year of service is credited (based on hours worked/1,700). No service is credited if a participant works less than 500 hours in a calendar year.</p> <p>For the 2006 plan year, a participant who did not complete a year of benefit service in the Swift Eckrich, Inc. Hourly Retirement Plan Program will receive a fractional year of service in this Plan for hours credited after October 2, 2006, if total hours for the 2006 calendar year are greater than 500. A participant credited with 1,000 hours after October 2, 2006 will receive an entire year of service under this Plan.</p> <p>Credited service is frozen as of August 2, 2009.</p>
▪ Credited service (continued)	<p><u>Mason City employees:</u> A year of service is credited for each calendar year of employment in which a participant works at least 1,740 hours. If a participant works less than 1,740 hours in a year, one month of service is credited for each 145 hours worked.</p> <p>For the 2006 plan year, a participant who did not complete a year of benefit service in the ConAgra Foods, Inc. Pension Plan for Hourly Rate Production Employees will be credited one month of service in this Plan for each 145 hours worked after October 2, 2006. A participant credited with 1,000 hours after October 2, 2006 will receive an entire year of service under this Plan.</p> <p>Credited service is frozen as of April 5, 2009.</p>
▪ Accrued benefit	The normal retirement benefit calculated at the date of retirement or termination and reduced as noted below.

Schedule SB, Part V — Summary of Plan Provisions**Normal retirement**

▪ Eligibility	Age 65 or age 60 if the sum of age and service is at least 80. Eligibility for acquired groups differs as noted in the following section.
▪ Benefit	<p>A lifetime benefit equal to the sum of (a) and (b), payable at age 65 or age 60 if the sum of age and service is at least 80:</p> <p>a.</p> <ul style="list-style-type: none"> ▪ \$108 times years of service to the nearest complete month up through March 1, 1990; plus ▪ \$216 for service from March 1, 1990 through February 1, 1991; plus ▪ \$240 for service from February 1, 1991 through February 1, 1992; plus ▪ \$264 for service on February 1, 1992 and all years thereafter. <p>b. 1/5 of total voluntary contributions.</p> <p><u>St. Charles employees:</u> A lifetime benefit payable at age 65, age 60 with five years of service, or upon completion of 30 years of service and equal to:</p> <ul style="list-style-type: none"> ▪ \$330 times years of benefit service through December 31, 2006 plus; ▪ \$342 for service from December 31, 2006 through December 31, 2007 plus; ▪ \$354 for service from December 31, 2007 through December 31, 2008 plus; ▪ \$366 for service from December 31, 2008 through August 2, 2009. <p>A participant who retires with 30 years of service and who has not attained age 62 will receive a \$100 per month supplement until age 62.</p>
▪ Benefit (continued)	<p><u>Mason City employees:</u> A lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$264 times years of benefit service through December 31, 2006 plus; ▪ \$276 for service from December 31, 2006 through December 31, 2007 plus; ▪ \$288 for service from December 31, 2007 through April 5, 2009. <p>Total service will not exceed 30 years.</p>

Early retirement

▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of service.
▪ Benefit	<p>The benefit payable is the accrued benefit reduced 0.5% for each month which the benefit commencement date precedes age 65.</p> <p><u>St. Charles employees:</u> A participant is eligible to retire after age 55 with 5 years of vesting service. The benefit payable is the accrued benefit reduced by 0.5% for each month which the benefit commencement date precedes age 60.</p> <p><u>Mason City employees:</u> A participant is eligible to retire after age 55 with 5 years of vesting service. The benefit payable is the accrued benefit reduced by 0.3% for each month which the benefit commencement date precedes age 65 for the first 5 years, plus 0.5% per month prior to age 60.</p>

Schedule SB, Part V — Summary of Plan Provisions**Late retirement**

▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participants actual retirement date.
▪ Benefit	Benefit calculated like normal retirement benefit using service to the earlier of the actual retirement date and the freeze date. See dates under Covered employees.

Deferred vested

▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 55 is 100% vested in his or her accrued benefit. Due to the partial plan termination that occurred during 1992, the benefits of all involved former employees became fully vested. Voluntary contributions are 100% vested.
▪ Benefit	The benefit is equal to the vested accrued benefit, payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.
▪ Benefit (continued)	<p><u>St. Charles employees:</u> A participant who has completed five or more years of vesting service is 100% vested in his or her accrued benefit. The benefit is equal to the vested accrued benefit, payable at any date after the participant attains early retirement eligibility, reduced 0.5% for each month for which benefit commencement precedes normal retirement.</p> <p><u>Mason City employees:</u> A participant who has completed five or more years of vesting service is 100% vested in his or her accrued benefit. The benefit is equal to the vested accrued benefit, payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65. See the table below for reduction rates.</p>

Age at commencement	Percentage of vested accrued benefit payable
64	88.84%
63	79.12
62	70.64
61	63.22
60	56.69
59	50.94
58	45.86
57	41.36
56	37.37
55	33.81

Disability

▪ Eligibility	A participant is eligible upon total and permanent disability after 15 years of service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act. Eligibility for acquired groups differs as noted below.
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Schedule SB, Part V — Summary of Plan Provisions

St. Charles and Mason City employees: A participant is eligible upon total and permanent disability after 10 years of service.

St. Charles employees: a participant will be deemed totally and permanently disabled if and when he or she becomes permanently unable to perform the duties of any job available at the unit where employed, as determined by the Committee.

Mason City employees: a participant will be deemed totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.

- | | |
|---|--|
| <ul style="list-style-type: none"> Benefit | <p>The benefit will commence at determination of disability and be computed in the same manner as normal retirement benefits. There is no actuarial reduction for early payment.</p> |
|---|--|

Mason City employees: The benefit will commence on the first of the month following disability, but is not payable while receiving Employer sponsored long term disability insurance. The benefit payable is the accrued benefit. There is no actuarial reduction for early payment.

Pre-retirement death

- | | |
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| <ul style="list-style-type: none"> Eligibility | <p>The spouse of a vested participant. If a nonvested participant dies, no benefits are payable except for the return of employee contributions.</p> |
| <ul style="list-style-type: none"> Benefit before normal retirement | <p>If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached age 55, reduced for early commencement before the date the participant would have reached age 65.</p> <p><u>St. Charles employees:</u> If a vested participant dies with less than 10 years of service, the participant's spouse will receive monthly retirement income for life in an amount calculated under the 50% joint and survivor option and reduced for early commencement. The benefit is payable at the participant's 65th birthday, or if elected, the date the participant would have reached age 55, reduced for early commencement. If a vested participant dies with more than 10 years of service, the participant's spouse, or children under the age of 18 in the absence of a spouse, will receive a monthly retirement benefit for life in an amount equal to one half the accrued benefit payable to the surviving spouse at the time of death on an unreduced basis. The benefit is payable on the first of the month following the participant's death.</p> <p><u>Mason City employees:</u> If a vested participant dies, the participant's spouse will receive monthly retirement income payable for life in an amount equal to 50% of the participant's accrued benefit. This percentage is increased or decreased by 0.5% for each 12 month period, in excess of 5 years, by which the spouse's age is greater than or less than the participant's age, respectively. The benefit is payable at the later of the participant's death or the date the participant would have reached age 55.</p> |
| <ul style="list-style-type: none"> Benefit after normal retirement | <p>Death benefits after retirement are automatic unless waived by a member and his or her spouse. Unless a specific election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment. There is also a partial return of the participant's accumulations graduated over five years.</p> |

Schedule SB, Part V — Summary of Plan Provisions**Unpredictable contingent event
benefits**

▪ Event	St. Charles employees: Plant or department closing
▪ Eligibility and benefit	St. Charles employees <ul style="list-style-type: none"> ▪ Age 50 but before age 55 and has completed 10 years of vesting service – employer paid benefits until age 55 and then a pension benefit at age 55. ▪ Age 55 with 5 years of vesting service – benefits shall not be reduced for age.

Form of benefits

▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity.
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100% or 75%) ▪ 10 years certain and continuous ▪ Lump sum if less than \$7,500 All options are actuarially reduced.
▪ Optional form conversion factors	Late retirement increase: <ul style="list-style-type: none"> ▪ Mortality Table – GAM71 mortality table for males with 3 year set back. ▪ Interest Rate – 7.00% Optional forms: <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.80% Lump Sum: <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

Schedule SB, Part V — Summary of Plan Provisions*Definitions for Gwaltney of Smithfield, Ltd. Employees***Definitions**

▪ Covered employees	The plan covers all employees whose wages and other conditions of employment are subject to a collective bargaining agreement.
▪ Participation	Employees must have completed 12 months of service and attained age 21 to participate in the plan.
▪ Employee contributions	None required or permitted.
▪ Vesting service	Employment from hire date to termination date measured in whole and fractional years.
▪ Credited service	Employment from hire date to termination date measured in whole and fractional years. Total service is limited to 35 years.
▪ Accrued benefit	Participants earned benefit commencing at the participant's Normal Retirement Age in the form of a life annuity determined in the same manner as the participant's years of benefit service at the date the accrued benefit is being calculated.

Normal retirement

▪ Eligibility	Age 65
▪ Benefit	<p>For Valleydale employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service from September 26, 1992 through July 31, 1995, plus ▪ \$120 times years of benefit service after July 31, 1995. <p>For all other employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through February 5, 1993, plus ▪ \$120 times years of benefit service after February 5, 1993 through April 13, 1997, plus ▪ \$132 times years of benefit service after April 13, 1997 through April 3, 2002, plus ▪ \$204 times years of benefit service after April 3, 2002 through April 3, 2007, plus ▪ \$240 times years of benefit service after April 3, 2007 through June 30, 2011, plus ▪ \$252 times years of benefit service after June 30, 2011.

Schedule SB, Part V — Summary of Plan Provisions**Early retirement**

▪ Eligibility	A participant is eligible to retire after age 55 with 10 years of vesting service.
▪ Benefit	A participant is eligible to retire after age 55 with 10 years of vesting service. The benefit payable is the accrued benefit reduced by 1/180th for each of the first 60 months and by 1/360th for each successive month that the Early Retirement Date precedes the Normal Retirement Date.

Late retirement

▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participants actual retirement date.
▪ Benefit	Benefit calculated as the greater of: <ul style="list-style-type: none"> ▪ Benefit based on service to the participant's normal retirement actuarially increased to the actual retirement date or; ▪ Benefit based on service to actual retirement date.

Deferred vested

▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65.

Disability

▪ Eligibility	A participant is eligible upon total and permanent disability after 15 years vesting service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.
▪ Benefit	The benefit will commence at determination of disability and be computed in the same manner as normal retirement benefits based on service at disability. There is no actuarial reduction for early payment.

Pre-retirement death

▪ Eligibility	The spouse of a vested participant who has deceased.
▪ Benefit prior to early retirement	None
▪ Benefit after early but before normal retirement	If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached early retirement eligibility, reduced for early commencement before the date the participant would have reached age 65.
▪ Benefit after normal retirement	Unless a specific election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment.

Unpredictable contingent event benefits

Not applicable

Schedule SB, Part V — Summary of Plan Provisions**Form of benefits**

▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity.
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100%, 75% or 66⅔%) ▪ 10-Year Certain and Continuous Annuity ▪ Lump sum if less than \$7,500
▪ Optional form conversion factors	<p>All options are actuarially reduced.</p> <p>Late retirement increase:</p> <ul style="list-style-type: none"> ▪ Mortality Table – UP84 Mortality Table ▪ Interest Rate – 7% <p>Optional form:</p> <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.25% <p>Lump Sum:</p> <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

Schedule SB, Part V — Summary of Plan Provisions*Definitions for Smithfield Packing Company, Inc. Employees*

Definitions	
▪ Covered employees	The plan covers all employees whose wages and other conditions of employment are subject to a collective bargaining agreement.
▪ Participation	Employees must have completed 1,000 hours of service or attained age 21 to participate in the plan.
▪ Employee contributions	None required or permitted
▪ Vesting service	Employment from hire date to termination date measured in whole and fractional years.
▪ Benefit service	Employment from hire date to termination date measured in whole and fractional years.
▪ Accrued benefit	Participants earned benefit commencing at the participant's Normal Retirement Age in the form of a life annuity determined in the same manner as the participant's years of benefit service at the date the accrued benefit is being calculated.

Normal retirement

▪ Eligibility	Age 65
▪ Benefit	<p>For Kinston employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through December 31, 1993 plus ▪ \$120 times years of benefit service after December 31, 1993 through December 31, 1998 plus ▪ \$132 times years of benefit service after December 31, 1998 through December 31, 2002 plus ▪ \$180 times years of benefit service after December 31, 2002 through May 7, 2007 plus ▪ \$240 times years of benefit service of benefit service after May 7, 2007. <p>For Landover employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$252 times years of benefit service. <p>For Grayson employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$252 times years of benefit service from April 15, 2013. <p>For all other employees, a lifetime benefit payable at age 65 and equal to:</p> <ul style="list-style-type: none"> ▪ \$96 times years of benefit service through December 31, 1993 plus ▪ \$120 times years of benefit service after December 31, 1993 through December 31, 1997 plus ▪ \$132 times years of benefit service after December 31, 1997 through December 31, 2001 plus ▪ \$204 times years of benefit service after December 31, 2001 through June 30, 2007 plus ▪ \$240 times years of benefit service after June 30, 2007.

Schedule SB, Part V — Summary of Plan Provisions

Early retirement	
▪ Eligibility	A participant is eligible to retire after age 60 with 10 years of vesting service.
▪ Benefit	The benefit payable is the accrued benefit reduced by 0.5% for each month that the Early Retirement Date precedes the Normal Retirement Date. The minimum benefit, if applicable, is reduced by multiplying the ratio of (1) actual years of benefit service at early retirement to (2) years of benefit service the participant would have had, had he or she remained in service until age 65 (before such benefit is reduced for early retirement).
Late retirement	
▪ Eligibility	If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participants actual retirement date.
▪ Benefit	Benefit calculated as the greater of: <ul style="list-style-type: none"> ▪ Service to the participant's normal retirement date actuarially increased to the actual retirement date or; ▪ Service to actual retirement date.
Deferred vested	
▪ Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 is 100% vested in his or her accrued benefit.
▪ Benefit	The benefit is equal to the vested accrued benefit payable at any date after the participant attains early retirement eligibility, with appropriate reduction for retirement before age 65. For purposes of determining eligibility for an employee hired on or after January 1, 1976, service prior to the plan year in which the participant attains age 22 (18 effective January 1, 1985) will not be counted. An employee terminating before meeting this requirement (but who was, before January 1, 1967 vested under the plan in effect immediately prior to the Effective Date) will be entitled to a benefit of \$20 a month.
Disability	
▪ Eligibility	A participant is eligible upon total and permanent disability after age 45 and 10 years of vesting service. A participant will be deemed to be totally and permanently disabled if and when he or she becomes entitled to disability income benefits under the Federal Social Security Act.
▪ Benefit	The benefit will commence at determination of disability and be computed in the same manner as normal retirement benefits based on service at disability. There is no actuarial reduction for early payment.
Pre-retirement death	
▪ Eligibility	Five or more years of vesting service.
▪ Benefit prior to retirement	If a vested participant dies, the participant's spouse will receive a monthly retirement income payable for life in an amount equal to 50% of the amount the participant would have received if he or she had retired on the date of his or her death with a 50% joint and survivor benefit. The benefit is payable commencing at the later of the participant's death, or the date the participant would have reached early retirement eligibility, reduced for early commencement before the date the participant would have reached age 65.

Schedule SB, Part V — Summary of Plan Provisions

▪ Benefit after normal retirement	Unless a specific election to the contrary is made, benefits will be payable to a married member under the 50% joint and survivor form of payment.
Unpredictable contingent event benefits	Not applicable
Form of benefits	
▪ Automatic form for unmarried participants	Single Life Annuity
▪ Automatic form for married participants	An actuarially reduced 50% joint and survivor annuity.
▪ Optional forms	<ul style="list-style-type: none"> ▪ Joint and Survivor Annuity (100%, 75% or 66⅔%) ▪ 10-Year Certain and Continuous Annuity ▪ Lump sum if less than \$7,500 All options are actuarially reduced.
▪ Optional form conversion factors	<p>Late retirement increase:</p> <ul style="list-style-type: none"> ▪ Mortality Table – UP84 Mortality Table ▪ Interest Rate – 7% <p>Optional form:</p> <ul style="list-style-type: none"> ▪ Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females ▪ Interest Rate – 5.25% <p>Lump sum:</p> <ul style="list-style-type: none"> ▪ Section 417(e) interest rates and applicable mortality table

*All Groups***Miscellaneous**

Maximum compensation	Not applicable
Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2015, the limit is \$210,000.

Plan Provision Changes since Prior Valuation

- Maximum benefits were updated from 2014 to 2015.
- The plan was amended to extend a one-time lump sum opportunity to deferred vested participants during a window in 2014.

SMITHFIELD FOODS HOURLY PENSION PLAN

Plan No: 003

EIN: 52-0845861

Supplemental Schedule

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2015

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Pooled separate accounts:			
	John Hancock	Diversified Stock Fund	\$ 217,317	\$ 2,840,611
	John Hancock	S&P 500 Index Stock Fund	106,932	142,224
	John Hancock	Bond Fund	439,321	846,739
	Insurance contract:			
	John Hancock	Group Annuity Contract 80	490,349	490,349
			<u>\$ 1,253,919</u>	<u>\$ 4,319,923</u>