

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 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2020</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</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.) ☒ 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 SALARIED PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1994</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1994</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1994</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>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>52-0845861</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>866-551-9423</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>311610</u></td> </tr> </table>	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>	
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	Filed with authorized/valid electronic signature.	10/13/2021	HOPE REILLY
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2020)
v. 200204

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 14260
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) 8517
a(2) Total number of active participants at the end of the plan year		6a(2) 9641
b Retired or separated participants receiving benefits.....		6b 3128
c Other retired or separated participants entitled to future benefits		6c 2154
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 14923
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 563
f Total. Add lines 6d and 6e		6f 15486
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 who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 592
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: 1A 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>0</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)

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 2020 Form M-1 annual report. If the plan was not required to file the 2020 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 _____

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	37180007
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	37180007
10 Interest on line 9 using prior year's actual return of <u>12.64</u> %	0	4699553
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		111981466
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>5.65</u> %		6326953
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		118308419
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	41879560

Part III Funding Percentages		
14 Funding target attainment percentage	14	121.79 %
15 Adjusted funding target attainment percentage	15	128.34 %
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	112.20 %
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
Totals ▶			18(b)	0	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	0
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:
3.64 %2nd segment:
5.21 %3rd segment:
5.94 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

61

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** 25870276**b** Excess assets, if applicable, but not greater than line 31a **31b** 25870276**32** Amortization installments:**a** Net shortfall amortization installment Outstanding Balance 0 Installment 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**35** Balances elected for use to offset funding requirement Carryover balance 0 Prefunding balance 0 Total balance 0**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** 0**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 0**b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances **38b****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

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large;">2020</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

<p>A Name of plan <u>SMITHFIELD FOODS SALARIED PENSION PLAN</u></p>	<p>B Three-digit plan number (PN) ▶ <u>001</u></p>	
<p>C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>SMITHFIELD FOODS, INC.</u></p>	<p>D Employer Identification Number (EIN) <u>52-0845861</u></p>	

Part I	<p>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)</p>
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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>880986652</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)
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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):

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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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
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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.	<small>OMB No. 1210-0110</small> 2020 This Form is Open to Public Inspection
For calendar plan year 2020 or fiscal plan year beginning <u>01/01/2020</u> and ending <u>12/31/2020</u>		
A Name of plan <u>SMITHFIELD FOODS SALARIED PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>001</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		
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) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions		1b(1)	1230000000
(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)	
(11) Value of interest in master trust investment accounts		1c(11)	705602949
(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)	0
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	0
(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	828602949	880986652

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	828602949	880986652
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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)	0	
(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)		0
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)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		91341247
(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		
d Total income. Add all income amounts in column (b) and enter total.....	2d		91341247

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	36348936	
(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)		36348936
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)		
(4) Other.....	2i(4)	2608608	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2608608
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		38957544

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		52383703
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) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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:

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.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
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.)			
4b		X	
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.)			
4c		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.)			
4d		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	
4f		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	
4g		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	
4h		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	
4i		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	
4j		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	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
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.			
4n			

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

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 Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4322573.

<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 sections 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>2020</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020		
A Name of plan SMITHFIELD FOODS SALARIED PENSION PLAN		B Three-digit plan number (PN) ▶ 001
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	Distributions	
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		3 311
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.)	
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	
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		
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.	
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, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2020 v. 200204		

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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14a	
14b	
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.....

b The corresponding number for the second preceding plan year.....

15a	
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.....

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.....

16a	
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

- 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: 45.0 % Investment-Grade Debt: 47.5 % High-Yield Debt: 0.0 % Real Estate: 5.0 % Other: 2.5 %

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):

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
☐ Yes.
☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
☐ No. Other. Provide explanation _____

SMITHFIELD FOODS SALARIED PENSION PLAN

Financial Statements
December 31, 2020 and 2019



PEOPLE | IDEAS | SOLUTIONS

SMITHFIELD FOODS SALARIED PENSION PLAN

December 31, 2020 and 2019

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Independent Auditors' Report

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Smithfield Foods Salaried Pension Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, 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 3 and 5, 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, 2020 and 2019 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.

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

The form and content of the information included in the financial statements, 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".

Horsham, Pennsylvania
October 11, 2021

SMITHFIELD FOODS SALARIED PENSION PLAN

Statements of Net Assets Available for Benefits December 31, 2020 and 2019

	2020	2019
Assets:		
Investments, at fair value	\$ 880,986,652	\$ 705,602,949
Employer contributions receivable	-	123,000,000
Net assets available for benefits	\$ 880,986,652	\$ 828,602,949

See accompanying notes to financial statements.

SMITHFIELD FOODS SALARIED PENSION PLAN

Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2020 and 2019

	2020	2019
Additions to net assets attributed to:		
Investment income:		
Net investment income from Smithfield Foods Master Trust	\$ 91,341,247	\$ 81,937,366
Employer contributions	-	123,000,000
Total additions	91,341,247	204,937,366
Deductions from net assets attributed to:		
Benefits paid to participants	36,348,936	61,604,826
Administrative fees	2,608,608	4,583,724
Total deductions	38,957,544	66,188,550
Net increase	52,383,703	138,748,816
Net assets available for benefits:		
Beginning of year	828,602,949	689,854,133
End of year	\$ 880,986,652	\$ 828,602,949

See accompanying notes to financial statements.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(1) Description of Plan

The following description of the Smithfield Foods Salaried 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, 1994, as a result of a merger of the Smithfield Foods, Inc. Pension Plan, Smithfield Packing Company Pension Plan, Gwaltney of Smithfield Ltd. Pension Plan, Patrick Cudahy Incorporated Pension Plan and the Schluderberg Kurdle Company, Inc. Pension Plan. The Plan is a defined benefit plan covering substantially all salaried employees of Smithfield Foods, Inc. (Smithfield) and all affiliated employers who have adopted the Plan (collectively, the Company). Employees must have completed 1,000 hours 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 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. Effective December 31, 2009, John Morrell & Co. Salaried Employees Pension Plan merged with the Plan.

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).

During 2019, the Company made a determination to provide alternative payment options, including lump sum payments, to terminated vested participants as of June 30, 2019. Aggregate payments of approximately \$37,000,000 were made during December of 2019 to those participants who elected the lump sum alternative distribution option. The election window closed prior to the commencement of the 2020 plan year.

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 of the Board of Directors.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(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 at least 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, 2020 and 2019.

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

Generally, employees with five or more years of service are entitled to monthly pension benefits beginning at normal retirement age (65) based on the number of full years of service, except as otherwise provided, times the sum of (a) 0.8% of final average earnings and (b) 0.9% of final average earnings in excess of Social Security covered compensation. Refer to the Plan documents for minimum and maximum benefit provisions. The Plan permits early retirement at ages 55 to 64 with reduced benefits.

Former participants of John Morrell & Co. Salaried Employees Pension Plan with five or more years of service are entitled to monthly pension benefits beginning at normal retirement age (65) equal to the greater of (a) 1.8% of final average earnings times years of credited service (up to 25 years), adjusted for Social Security benefits, or (b) \$180 times years of credited service. 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 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 forty-five and is totally and permanently disabled is eligible for a benefit equal to the normal retirement benefit based on service to termination.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(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 4 and 5 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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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 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.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(2) Summary of Significant Accounting Policies, Continued

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

The Plan's administrative expenses are paid by either the Master Trust 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 2020 and 2019.

Recently Adopted Accounting Standards Fair Value Measurement

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement* (Topic 820): *Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU removes the requirement to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for timing of transfers between levels, the valuation processes for Level 3 fair value measurements and the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. Further, under this ASU, nonpublic entities are not required to complete a reconciliation of the opening balances to the closing balances of recurring Level 3 fair value measurements. Rather, an entity is required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases and issues of Level 3 assets and liabilities. The adoption of this ASU had no material impact to the Plan's financial statements.

Subsequent Events

The Plan has evaluated subsequent events through October 11, 2021, the date the financial statements were available to be issued.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(3) 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 New York Mellon/BNY Mellon, N.A. (BNY 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. The trustee has certified the following as complete and accurate:

- The investments at fair value at December 31, 2020 and 2019.
- The net investment income from Smithfield Foods Master Trust for the years ended December 31, 2020 and 2019.

(4) 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.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(4) Fair Value Measurements, Continued

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, 2020 and 2019.

Plan's interest in the Master Trust: See Note 5 for valuation methodology.

As of December 31, 2020 and 2019, the Plan did not hold investments outside the Master Trust.

(5) Interest in Master Trust (Unaudited)

The Plan invests 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 BNY Mellon as of and for the years ended December 31, 2020 and 2019. The Plan's interest in the net assets of the Master Trust was approximately 41% and 39% at December 31, 2020 and 2019, respectively.

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 BNY 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.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

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

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, 2020 and 2019, and the net investment income of the Master Trust for the years then ended, as summarized below.

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

	2020	2019
Master Trust investments, at fair value:		
Common collective trusts	\$ 574,810,803	\$ 712,634,790
Common stock	124,631,326	546,901,121
Limited partnerships	220,992,175	256,690,274
Registered investment companies	552,266,298	154,674,161
Corporate debt	260,285,362	59,307,471
U.S. government and agency securities	312,886,199	157,432,851
Cash equivalents	618,548	13,867,062
Preferred stock	2,052,712	2,296,153
	<u>2,048,543,423</u>	<u>1,903,803,883</u>
Cash	45,750,222	17,374,666
Receivables	51,213,205	384,495,938
Liabilities	<u>(19,595,343)</u>	<u>(493,753,674)</u>
Total Master Trust investments, at fair value	\$ 2,125,911,507	\$ 1,811,920,813
Plan interest in the Master Trust, at fair value	\$ 880,986,652	\$ 705,602,949

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

	2020	2019
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 220,307,970	\$ 217,943,598
Interest	13,793,674	26,134,794
Dividends	7,817,985	11,282,808
Other	<u>(16,358,555)</u>	<u>(35,495,347)</u>
	\$ 225,561,074	\$ 219,865,853

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(5) 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 net asset value (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 Master Trust 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 fair values of the investments in limited partnerships are estimated using the NAV of the Master Trust's ownership interest in partners' capital. 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 terminations through December 31, 2031.

Registered investment companies: Valued at the daily closing price as reported by the registered investment company. Registered investment companies held by the Master Trust 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 Master Trust are deemed to be actively traded.

Corporate debt and U.S. government and agency securities: 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.

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.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

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

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

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Common stock	\$ 124,631,326	\$ -	\$ -	\$ 124,631,326
Registered investment companies	552,266,298	-	-	552,266,298
Corporate debt	-	260,285,362	-	260,285,362
U.S. government and agency securities	-	312,886,199	-	312,886,199
Cash equivalents	618,548	-	-	618,548
Preferred stock	-	2,052,712	-	2,052,712
	<u>\$ 677,516,172</u>	<u>\$ 575,224,273</u>	<u>\$ -</u>	<u>1,252,740,445</u>
Investments measured at NAV as a practical expedient				<u>795,802,978</u>
Investments at fair value				<u>\$ 2,048,543,423</u>

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Common stock	\$ 546,901,121	\$ -	\$ -	\$ 546,901,121
Registered investment companies	154,674,161	-	-	154,674,161
Corporate debt	-	59,307,471	-	59,307,471
U.S. government and agency securities	-	157,432,851	-	157,432,851
Cash equivalents	13,867,062	-	-	13,867,062
Preferred stock	-	2,296,153	-	2,296,153
	<u>\$ 715,442,344</u>	<u>\$ 219,036,475</u>	<u>\$ -</u>	<u>934,478,819</u>
Investments measured at NAV as a practical expedient				<u>969,325,064</u>
Investments at fair value				<u>\$ 1,903,803,883</u>

Certain investments that are measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total Master Trust investments.

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

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

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

The following table summarizes the Master Trust's investments measured at fair value based on the NAV per share as a practical expedient as of December 31:

Investment	Fair Value at		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2020	2019			
Common Collective Trusts:					
Blackrock iShares MSCI ACWI Equity Index Fund	\$ 530,154,393	\$ -	None	Daily	N/A
Global Standard Trading Intermediate Duration Credit	40,256,410	-	None	Daily	N/A
Wells Capital Management Emerging Market Fund	4,400,000	-	None	Daily	N/A
Russell Investments Funds	-	712,634,790	None	Daily	None
Limited Partnerships:					
AEOLUS Property Catastrophe Funds (a)	2,698,744	27,808,858	None	Quarterly	After one year
AG Asia Realty Fund III LP (b)	5,359,495	6,715,260	\$ 1,239,250	Distribution only	None
AG Realty Fund VIII (c)	1,252,210	1,416,788	\$ 770,893	Distribution only	None
AG Core Plus Realty Fund III LP (c)	1,528,029	1,724,493	\$ 2,126,530	Distribution only	None
AG Realty Value Fund X (c)	5,557,145	2,909,795	\$ 9,225,000	Distribution only	None
Almanac Realty Securities VII LP (x)	1,809,954	837,666	\$ 7,850,490	Distribution only	None
BlackRock Global Renewable Power Fund II (d)	3,802,706	3,489,149	\$ 785,502	Distribution only	None
BlackRock Global Renewable Power Fund III (d)	628,847	-	\$ 4,371,153	Distribution only	None
BlackRock Private Opportunities Fund IV (y)	5,443,038	2,903,214	\$ 9,214,451	Distribution only	None
Blackstone Property Partners LP (e)	12,881,833	13,178,168	None	Daily	None
Cerberus Institutional Rep V LP (cc)	351,640	-	None	Daily	None
Clarion Lion Properties Fund (h)	5,274,099	5,116,536	None	Quarterly	90 days
Cultivian Sandbox Food & Arig Fund III LP (f)	1,891,633	443,329	\$ 3,660,569	Distribution only	None
CVI Emerging Markets Credit Value Funds (g)	7,004,908	16,447,593	None	Quarterly	90 days
DRA Growth and Income Fund IX LLC (c)	8,198,771	8,494,268	\$ 1,164,404	Distribution only	None
DRA Growth and Income Fund X LLC (c)	1,468,506	-	\$ 8,339,231	Distribution only	None
Exeter Industrial Value Fund IV LP (i)	11,345,935	9,426,482	\$ 1,500,000	Distribution only	None
Exeter Industrial Value Fund V LP (i)	2,500,000	-	\$ 7,500,000	Distribution only	None
Field Street Offshore Fund, Ltd. (j)	-	4,587,805	None	Monthly	60 days
GCA Credit Opportunities Offshore Fund (g)	-	10,057,858	None	Quarterly	60 days
GEAM International Private Equity Fund LP (k)	897,975	813,371	\$ 609,503	Distribution only	None
Global Transport Income Fund (z)	15,911,372	15,001,515	None	Quarterly	60 days
Goldman Vintage Fund VII (l)	7,342,647	7,362,262	\$ 4,387,742	Distribution only	None
H2 Special Opportunities III Fund LP (m)	3,032,048	4,554,378	None	Distribution only	None
H2 Special Opportunities IV Fund LP (m)	7,544,534	4,436,635	\$ 5,758,947	Distribution only	None
Hancock Capital Partners IV Fund LP (n)	350,979	402,893	\$ 465,897	Distribution only	None
Harbourvest Partners V Fund LP (n)	113,307	136,871	\$ 267,000	Distribution only	None
Harbourvest Partners VIII Cayman Funds (n)	3,099,851	4,178,258	\$ 611,250	Distribution only	None
Harrison Street Core Property Fund LP (aa)	5,220,722	5,150,611	None	Distribution only	None
Horizon Portfolio I Limited Funds (n)	-	19,248,908	None	Quarterly	45 days
Invesco Mortgage Recovery Feeder Fund LP (o)	151,117	116,793	\$ 143,513	Distribution only	None
Lone Star Funds (p)	171,946	190,113	\$ 877,686	Distribution only	None
Oak Street Real Estate Capital IV LP (q)	8,562,449	7,083,627	\$ 2,873,074	Distribution only	None
Oak Street Real Estate Capital V LP (q)	2,517,981	-	\$ 7,468,000	Distribution only	None
Oaktree Euro Principal Fund IV Feeder LP (r)	11,272,512	9,198,414	\$ 2,201,997	Distribution only	None
Oaktree Mezzanine Fund IV LP (n)	18,252,964	20,377,918	\$ 9,054,000	Distribution only	None
Oaktree Opportunities Fund X LP (s)	8,553,749	9,422,872	\$ 1,700,000	Distribution only	None
Oaktree Opportunities Fund XB LP (s)	14,599,033	5,821,327	\$ 18,750,000	Distribution only	None
Oaktree Special Situations Funds (t)	16,927,740	13,282,197	\$ 3,779,095	Distribution only	None
PEG Global PE Instl Investment VI Fund (u)	6,621,110	5,706,400	\$ 4,314,762	Distribution only	None
PEG Secondary PE Investment III LP Fund (v)	4,065,959	5,862,324	\$ 13,782,470	Distribution only	None
PEG Global PE Fund VII LP (u)	4,411,979	2,535,325	\$ 7,337,460	Distribution only	None
Vintage VIII Offshore (bb)	2,372,708	250,000	\$ 9,750,000	Distribution only	None
	\$ 795,802,978	\$ 969,325,064			

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

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

Following are the investment objectives of the limited partnerships:

- (a) These funds focus primarily on private tailored reinsurance and retrocessional transactions to create diversified, high-yielding portfolios for investors.
- (b) This fund builds a diversified portfolio of real estate turnaround and development opportunities in Japan, Korea and Greater China.
- (c) These funds' principal investment objective is current income and capital appreciation primarily in corporate acquisitions and leveraged buyouts.
- (d) This fund builds a diversified, global portfolio of wind and solar projects.
- (e) This fund invests in stable, well-leased real estate that needs some repositioning.
- (f) This fund invests in early stage food and agriculture with a focus on emerging technologies in the agriculture sector.
- (g) These funds invest in undervalued investments with a strong focus on portfolios of whole loans coming out of the deleveraging of European banks, U.S. non-performing and reperforming loan portfolios, corporate securities in developed and emerging markets, structured credit securitizations, aviation and other hard assets.
- (h) The fund makes core real estate investments within the United States.
- (i) This fund builds a diversified portfolio of single asset and multi-building packaged industrial property transactions by acquiring, repositioning, leasing, developing, operating and selling industrial and business park assets in primary metropolitan, high growth major markets, as well as intermodal, air and seaport distribution hubs in the United States, and select Canadian and Mexican markets.
- (j) This fund seeks attractive risk-adjusted returns through a diversified portfolio of trading strategies spread across various markets and asset classes.
- (k) This fund invests in, purchases and sells primarily private investments to provide its partners with current income and long-term capital gains.
- (l) This fund purchases secondhand stakes in private equity funds and focuses on buyout and distressed strategies in developed markets.
- (m) These funds invest in U.S. assets with high-quality real estate debt.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

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

- (n) These funds invest in privately placed subordinated debt with warrant or other equity participation rights, and preferred stock or common stock issued in connection with the expansion or acquisition financing, buyout or recapitalization of established middle market companies.
- (o) This fund is an opportunistic private investment fund established to capitalize on the current dislocation in the residential and commercial mortgage loan and structured securities market.
- (p) These funds invest in single-family residential real estate and debt, corporate debt, consumer debt and derivative instruments.
- (q) This fund is principally engaged in acquiring investment grade or equivalent, single-tenant, free-standing triple net or double net lease assets with a target of 15 years and a minimum of 11 years of lease term remaining with an emphasis on recession resistant tenants and mission-critical locations.
- (r) This fund invests primarily in Europe and primarily in equity, equity related and debt obligations of corporations, partnerships, limited liability companies and other similar entities that are considered undervalued, offer an opportunity for growth if funded appropriately, and provide an attractive risk/return profile.
- (s) This fund invests primarily in the securities of entities that, or are owned by persons that, are undergoing, are considered likely to undergo or have undergone (i) reorganization under the federal bankruptcy law or similar laws in other countries or (ii) other extraordinary transactions, such as debt restructurings, reorganizations and liquidations outside of bankruptcy.
- (t) This fund invests in publicly traded or privately placed debt securities and other obligations such as bank loans and participations, equipment trust certificates and trade credits, equity securities and options and warrants.
- (u) The investment objective of this fund is to generate capital returns through investing in limited partnerships or other pooled and direct investment vehicles which, in turn, make investments in management buy-in, management buy-out and leveraged buy-out transactions.
- (v) The investment objective of this fund is to generate capital returns by making investments from a diversified portfolio of conventional investments in the private equity markets by acquiring secondary private equity partnership investments and secondary private equity direct investments from third parties in private transactions on the secondary market.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

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

- (w) The investment objective of these funds is to achieve long-term capital appreciation through compound growth.
- (x) This fund generally invests in the senior securities of a company and seeks to grow the company's value through the repositioning of its real estate assets, while emphasizing capital preservation and diversification of portfolio companies.
- (y) This fund is a private equity fund that makes buyout co-investments in various sectors globally.
- (z) This fund invests in global transport industries, including the aircraft, maritime, energy logistics, railcar, heavy equipment, vehicle fleet and related sectors.
- (aa) This fund invests in stabilized, income producing properties in the student housing, senior housing, medical office and storage segments of the market.
- (bb) This fund invests in portfolios of private equity partnerships and underlying portfolio companies across leveraged buyout, credit, distressed, growth capital, real asset, and venture capital strategies.
- (cc) This fund's real estate platform manages a large portfolio of real-estate related assets, supported by a team of investment professionals and asset managers located in the United States, Europe, Asia, South America and Australia.

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.

(6) 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.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

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

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.

The significant actuarial assumptions underlying the valuations as of January 1, 2020 and 2019 were as follows:

Rate of return	6.25% for 2020; 6.50% for 2019
Discount rate	3.46% for 2020; 4.47% for 2019
Mortality:	
Healthy Participants:	
Non-annuitants	For 2020, the PRI-2012 sex distinct employee tables with no contingent survivor adjustment and no collar adjustments, projected generationally using the mortality improvement scale MMP-2019. For 2019, the MRP-2006 mortality tables for males and females, with no collar.
Annuitants	For 2020, based on Club Vita's 2019 US VitaCurves model. For 2019, the Mercer Industry Longevity Experience Study 2010 rates for males and females for the Consumer Goods and Food & Drink Industry with no collar.
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:

	2020	2019
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Active participants	\$ 259,689,096	\$ 241,565,690
Inactive participants with deferred benefits	56,840,975	71,744,583
Inactive participants receiving benefits	239,811,056	216,020,501
	<u>556,341,127</u>	<u>529,330,774</u>
Nonvested benefits	16,603,304	14,678,493
Total actuarial present value of accumulated plan benefits	<u>\$ 572,944,431</u>	<u>\$ 544,009,267</u>

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(6) 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:

	2020	2019
Actuarial present value of accumulated plan benefits at beginning of year	\$ 544,009,267	\$ 504,710,762
Increase during the year attributable to:		
Benefits accumulated and losses	43,509,628	32,796,975
Increase for interest due to decrease in discount period	34,759,694	31,985,732
Benefits paid	(61,604,827)	(23,303,226)
Change in actuarial assumptions	12,270,669	(2,180,976)
Net increase	28,935,164	39,298,505
Actuarial present value of accumulated plan benefits at end of year	\$ 572,944,431	\$ 544,009,267

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, 2020 and 2019. Had the valuations been performed as of December 31, there would be no material differences.

(7) 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.
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.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(7) Plan Termination, Continued

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.

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.

(8) Tax Status

The Internal Revenue Service has determined and informed Smithfield by a letter dated December 5, 2017, that the Plan and related trust are designed in accordance with applicable requirements of the Internal Revenue Code (IRC). The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(9) Related Party 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 managed by the trustee and common stock of the trustee.

SMITHFIELD FOODS SALARIED PENSION PLAN

Notes to Financial Statements December 31, 2020 and 2019

(9) Related Party and Party-In-Interest Transactions, Continued

The Master Trust pays fees to various parties-in-interest on behalf of the Participating Plans. Fees paid to parties-in-interest for 2020 and 2019 were as follows:

	2020	2019
Investment management	\$ 6,520,964	\$ 7,640,266
Consulting	18,250	47,290
	<u>\$ 6,539,214</u>	<u>\$ 7,687,556</u>

(10) Risks and Uncertainties

The Plan, through its interest in the Master Trust, 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.

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of Credited Service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25		302									302
		37,040									
25–29		625	140								765
		45,258	52,270								
30–34	2	630	305	82							1,019
		53,776	61,516	62,073							
35–39		595	255	168	61						1,079
		59,628	66,067	66,651	80,010						
40–44	2	476	218	206	135	32	2				1,071
		68,735	66,246	62,923	72,282	74,807					
45–49	1	476	187	194	196	59	42	2			1,157
		77,412	65,715	62,750	71,323	92,813	97,455				
50–54	1	432	157	189	189	40	50	21	3		1,082
		83,477	83,778	68,912	67,760	94,631	80,484	77,416			
55–59		448	131	182	155	69	37	24	14	3	1,063
		88,779	74,370	70,867	74,390	86,247	90,626	86,781			
60–64		279	80	128	98	43	22	10	18	6	684
		90,810	71,217	65,920	73,510	96,874	87,469				
65–69		60	34	49	50	9	13	5	3	3	226
		95,275	73,682	62,045	74,149						
70 & up		19	9	12	17	2	5	2	1	2	69
Total	6	4,342	1,516	1,210	901	254	171	64	39	14	8,517

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is the average pay for 2019 limited to \$280,000. Average pay is not shown for cells with fewer than 20 participants. The service credited under the pension plan of John Morrell & Company (and any affiliated employer who adopted the plan) is excluded from the credited service shown above.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial assumptions for January 1, 2020 funding valuation**

Economic Assumptions		
Discount rate sponsor elections		
• Segment rates or full yield curve	Segment	
• Look-back months	4	
	Stabilized	Nonstabilized
• First 5 years	3.64%	2.79%
• Next 15 years	5.21%	3.92%
• Over 20 years	5.94%	4.38%
Mortality sponsor elections		
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2006 mortality tables with IRS-developed adjustments and projected with mortality improvement scale MP-2018.	
• 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		
• Salary increases	See table of sample rates	
• Social Security taxable wage base increases for active participants	3.00% per year	
• Inflation	2.25% per year	
• Expected investment return	6.29% for 2018, 6.11% for 2019, 5.94% for 2020 The rate each year is the lessor of the ASC 715 accounting long-term rate of return on assets (6.25% per year for 2020, 6.50% per year for 2019 and 2018) and the 3 rd stabilized segment rate for the applicable plan year (6.29% for 2018, 6.11% for 2019, 5.94% for 2020).	
• Expenses	\$0 added to current year normal cost	

Rationale for Economic Assumptions

- Discount Rate – Funding discount rates are prescribed by the IRS with the specific methodology selected by Smithfield Foods, Inc.
- Mortality – Funding mortality tables are prescribed by the IRS with the specific methodology selected by Smithfield Foods, Inc.
- Salary increases – This assumption is based on experience studies performed in 2012 and 2016.
- Social Security taxable wage base increases – This assumption is based on inflation plus estimated real wage increases in the U.S. economy (75 bps).
- Inflation – This assumption is based on the long-term expectations for inflation published in Mercer Investment Consulting's Capital Market Outlook (2.20%) rounded up to the nearest 25 basis points.
- Expected investment return – The expected rate of return on plan assets is based on a blend of the hypothetical past performance of the plan's target asset mix and the median simulated investment

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

return using capital market assumptions published in Mercer Investment Consulting's Capital Market Outlook for the plan's target asset mix. The expected investment return assumption is net of an adjustment for investment expenses assumed to be paid from the plan assets.

- Expenses – Plan administrative expenses are not paid from the trust and have no impact on the minimum funding valuation.

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.	
•	Retirement age	Percentage	
		Attained age	<div>John MorrellSmithfield Foods</div>
		55	<div>11.7%8.0%</div>
		56	<div>10.0%8.0%</div>
		57	<div>10.0%8.0%</div>
		58	<div>11.7%8.0%</div>
		59	<div>15.0%9.7%</div>
		60	<div>18.3%9.7%</div>
		61	<div>15.0%19.7%</div>
		62	<div>20.0%21.7%</div>
		63	<div>20.0%21.7%</div>
		64	<div>30.0%26.7%</div>
		65	<div>48.3%36.7%</div>
		66	<div>48.3%35.0%</div>
		67	<div>45.0%35.0%</div>
		68	<div>45.0%35.0%</div>
		69	<div>45.0%35.0%</div>
		70	<div>100.0%100%</div>
•	Benefit commencement age for		
	(i) Future vested deferred	65	
	(ii) Current vested deferred	65	
•	Spouse assumptions	Male participants	Female participants
	(iii) Percentage married	80%	80%
	(iv) Spouse age difference	3 years younger	3 years older
Form of payment		Lump sum	<div>Single life75% J&S</div>
•	Active retirements	0%	<div>70%30%</div>
•	Future vested deferred	0%	<div>70%30%</div>
•	Future disabilities	0%	<div>100%0%</div>
•	Future deaths	0%	<div>100%0%</div>
•	Current vested deferred	0%	<div>70%30%</div>

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

-
- **Unpredictable contingent event assumptions** Not applicable
-

Table of Sample rates

Table of Salary Increases	
Age	Percentage
0 - 24	6.00%
25 - 29	5.50
30 - 34	5.00
35 - 39	4.67
40 - 44	4.33
45 - 49	4.17
50+	4.00

Withdrawal Rates for Employees with less than 5 Years of Vesting Service	
Years of Vesting Service	Percentage
0	41.7%
1	25.0
2	24.1
3	20.0
4	16.0

Withdrawal Rates for Employees with 5 or more Years of Vesting Service	
Attained Age	Percentage
22	26.3%
32	13.1
42	10.7
52	8.7
62	6.7

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

Disability Terminations from Active Status ¹		
	Percentage	
Attained Age	Male	Female
22	0.032%	0.035%
32	0.054	0.099
42	0.147	0.250
52	0.465	0.660
62	1.475	1.188

Rationale for Demographic Assumptions

- The withdrawal, disability, retirement/benefit commencement age and form of payment assumptions are based on experience studies performed in 2012 and 2016.

Actuarial methods for funding**Asset method**

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% and no less than 90% 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.

Participant methods

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:** Historically, the plan had insurance products through John Hancock for certain John Morrell Salaried Plan participants; however, these contracts were terminated on February 9, 2018.

¹ Disability terminations are taken into account in the retirement rates after age 64.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Minimum funding method**

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.

Total sponsor contribution allocation method

The total contribution made by Smithfield Foods, Inc. to its qualified defined benefit pension plans is allocated among the individual plans to first eliminate any existing unfunded PBGC premium funding target. Then the remaining amount of the planned contribution is allocated in accordance with each plan's portion of the total unfunded benefit obligation (combined for the three qualified plans) calculated for financial accounting purposes.

SCHEDULE SB (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>	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.	OMB No. 1210-0110 2020 This Form is Open to Public Inspection
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For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

► **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 SALARIED PENSION PLAN	B Three-digit plan number (PN) ►	001
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>2020</u>			
2	Assets:			
	a Market value.....	2a	823,911,368	
	b Actuarial value.....	2b	820,000,204	
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.....	3,648	267,690,327	267,690,327
	b For terminated vested participants	2,116	62,868,963	62,868,963
	c For active participants.....	8,517	291,661,980	308,319,485
	d Total.....	14,281	622,221,270	638,878,775
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	5.49%	
6	Target normal cost.....	6	25,870,276	

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	 Signature of actuary	<u>9/17/21</u> Date 2006799
	DANIEL M. SECKAR Type or print name of actuary	Most recent enrollment number 412-355-8800
	MERCER Firm name	Telephone number (including area code)
	SIX PPG PLACE Address of the firm	
	PITTSBURGH PA 15222	

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	37,180,007
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	37,180,007
10 Interest on line 9 using prior year's actual return of <u>12.64</u> %	0	4,699,553
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		111,981,466
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>5.65</u> %		6,326,953
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		118,308,419
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	41,879,560

Part III Funding Percentages

14 Funding target attainment percentage	14	121.79%
15 Adjusted funding target attainment percentage	15	128.34%
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	112.20%
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
Totals ▶			18(b)	0	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 0

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: 3.64 %	2nd segment: 5.21 %	3rd segment: 5.94 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
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	25,870,276	
b Excess assets, if applicable, but not greater than line 31a	31b	25,870,276	
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	0	0
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	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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

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 61.

(A) Retirement age	(B) Theoretical Population	(C) Retirement Percent	(D) Expected number of Retirements (B) x (C)	(E) Weighted number of Retirements (A) x (D)
55	1,000	8.0%	80.0	4,400.0
56	920	8.0%	73.6	4,121.6
57	846	8.0%	67.7	3,859.6
58	779	8.0%	62.3	3,613.1
59	716	9.7%	69.5	4,099.9
60	647	9.7%	62.7	3,765.0
61	584	19.7%	115.1	7,019.8
62	469	21.7%	101.8	6,310.9
63	367	21.7%	79.7	5,021.2
64	288	26.7%	76.8	4,914.2
65	211	36.7%	77.4	5,028.6
66	133	35.0%	46.7	3,082.4
67	87	35.0%	30.4	2,033.9
68	56	35.0%	19.7	1,341.8
69	37	35.0%	12.8	885.0
70	24	100.0%	23.8	1,667.3
Total			1,000.0	61,164.3
Weighted average retirement age:				61.2

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

Below are the retirement rates for John Morrell and Company Salaried Employees.

(A) Retirement age	(B) Theoretical Population	(C) Retirement Percent	(D) Expected number of Retirements (B) x (C)	(E) Weighted number of Retirements (A) x (D)
55	1,000	11.7%	117.0	6,435.0
56	883	10.0%	88.3	4,944.8
57	795	10.0%	79.5	4,529.8
58	715	11.7%	83.7	4,853.6
59	632	15.0%	94.7	5,589.2
60	537	18.3%	98.2	5,894.2
61	439	15.0%	65.8	4,013.0
62	373	20.0%	74.6	4,622.6
63	298	20.0%	59.6	3,757.7
64	239	30.0%	71.6	4,580.9
65	167	48.3%	80.7	5,243.3
66	86	48.3%	41.7	2,752.5
67	45	45.0%	20.1	1,345.9
68	25	45.0%	11.0	751.3
69	14	45.0%	6.1	419.3
70	7	100.0%	7.4	519.9
Total			1,000.0	60,253.0
Weighted average retirement age:				60.3

(A) Group	(B) Number of Active Participants	(C) Weighted Average Retirement Age	(B) x (C)
Smithfield Salaried	7,848	61.2	480,297.6
John Morrell & Company	669	60.3	40,340.7
Total	8,517		520,638.3
Overall weighted average retirement age:		61.1	

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

Effective date and plan year	Original plan: January 1, 1994 Restated plan: January 1, 2016 Plan year: January 1 through December 31
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None

DEFINITIONS FOR SMITHFIELD FOODS SALARIED EMPLOYEES**Definitions**

• Covered employees	All salaried employees of Smithfield Foods, Inc. (and any affiliated employer who adopts this plan) or hourly employees of Carroll's Foods of Virginia, Inc., Central Plains Farms Inc., Circle Four Corporation and Murphy Family Farms. All salaried employees of John Morrell & Company who were hired after January 1, 2013. Any salaried person who is receiving compensation for personal services rendered in the employment of John Morrell & Company who was hired prior to January 1, 2013 begins to accrue benefits under the following definitions January 1, 2016. Prior to January 1, 2016, benefits were accrued under a different formula as described in the second half of this section.
• 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.
• Credited service	Employment from hire date to termination date measured in whole and fractional years.
• Pensionable earnings	The total compensation paid to an employee by the employer during any calendar year as reported on Internal Revenue Service Form W-2, Box 1 or such successor box which describes "wages, tips, other compensation" and any amount contributed by the employer to a plan pursuant to a salary reduction agreement and which is not included in the gross income of the participant. This plan shall not consider a participant's annual compensation for any plan year in excess of the Section 401(a)(17) limitation.
• Final average earnings	The participant's average annual compensation received during the five (5) highest consecutive calendar years during which the participant completed 1,000 Hours of Service out of the ten (10) calendar years prior to or including his termination of employment which produce the highest average; or if the participant has fewer than five (5) consecutive calendar years during which the participant completed 1,000 Hours of Service, the average annual compensation received from the employer during all calendar years during which the participant completed 1,000 Hours of Service prior to his termination of employment; provided however, that for a participant who transfers to this plan from a reciprocal plan, final average earnings shall be determined based on the average annual compensation received only while a participant in this plan.

Schedule SB, Part V — Summary of Plan Provisions

- **Covered Compensation** Shall mean for a plan year the average of the taxable wage bases in effect for each calendar year during the thirty-five (35) year period ending in the year when the participant attains (or will attain) Social Security Retirement Age. In determining a participant's covered compensation for a plan year, the taxable wage base for the current plan year and any subsequent plan year shall be assumed to be the same as the taxable wage base in effect as of the beginning of the plan year in which the participant terminated employment.
- **Accrued benefit** Shall mean 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, final average earnings and covered compensation 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 retirement²

- **Eligibility** Age 65
- **Benefit** A lifetime benefit payable at age 65 and equal to the product of (a) and (b), but not less than (c) and no more than (d):
 - a) The number of full years of benefit service. No credit shall be given for benefit service prior to September 27, 1992 for employees of Valleydale Foods, Inc., January 1, 1993 for employees of Carolina Food Processors, Inc., and January 1, 1994 for employees of Brown's of Carolina. For employees who were participants in a salaried plan maintained by the Company prior to January 1, 1994, benefit service as of December 31, 1993 shall not be greater than benefit service under the prior plan as of December 31, 1993.
 - b) The sum of (i) 0.8% of Final Average Earnings and (ii) 0.9% of Final Average Earnings in excess of Social Security Covered Compensation.
 - c) Minimum Benefit – An individual's accrued benefit will not be less than their accrued benefit, determined as of the earlier of their separation from service or December 31, 1994, under the provisions of any prior salaried plan as it existed on December 31, 1993. In addition, the annual retirement benefit of a participant who completes an Hour of Service on or after January 1, 1994 shall not be less than \$900.
 - d) Maximum Benefit – If the annual benefit is greater than \$10,000, the maximum benefit will be the lesser of (i) 100% of the average compensation for the highest three (3) consecutive years of participation in the Plan or (ii) \$135,000 for benefits payable at the Social Security retirement age, automatically increased as permitted by Section 415(d) of the Internal Revenue Code, so that the limitation shall at all times be the maximum permitted by law. If the participant has fewer than 10 years of benefit service, the above amount, as automatically increased, shall be multiplied by the ratio of benefit service to 10 years.

² The benefit otherwise payable shall be reduced by the benefit provided under the Smithfield Packing Company Pension Plan that terminated on December 31, 1984.

Schedule SB, Part V — Summary of Plan Provisions

Participants covered under the Carroll's Foods Employee Pension Plan on September 30, 2000 and who immediately thereafter became a participant in this plan are eligible to receive a lifetime benefit payable at age 65 and equal to the greater of (e) and (f):

- e) The product of (a) and (b) above, but not less than (c) and no more than (d), with service credited from the original Carroll's date of hire.
- f) The sum of (i) and (ii) below; but not less than (c) and no more than (d) above:
 - i) The product of (a) and (b), with benefit service earned beginning on October 1, 2000.
 - ii) The participant's accrued benefit under the Carroll's Foods Employee Pension Plan on September 30, 2000.

Early retirement³

• Eligibility	Age 55 with at least five years of vesting service
• Benefit	<ul style="list-style-type: none"> • Excluding Carroll's Foods Inc. employees, the benefit payable is the accrued benefit reduced by 0.5% for each month that the Early Retirement Date precedes the Normal Retirement Date. • For Carroll's Foods, Inc. participants, the benefit payable is the accrued benefit reduced by 1/180th for each of the first 60 months that the Early Retirement Date precedes the Normal Retirement Date and 1/360th for each of the next 60 months that the Early Retirement Date precedes the Normal Retirement Date.

Late retirement³

• Eligibility	After normal retirement age
• Benefit	Benefit calculated as the greater of: <ul style="list-style-type: none"> • Amount accrued at the participant's normal retirement date, actuarially increased to the actual retirement date or; • Amount accrued at the actual retirement date.

Deferred vested

• Eligibility	A participant who has completed five or more years of vesting service or who has attained age 65 and reached the fifth anniversary of participation in the plan is 100% vested in his or her accrued benefit.
• Benefit	The benefit is equal to the vested accrued benefit payable at normal retirement date (for employees with less than five years of vesting service) or a reduced amount payable on the first of any month after their attainment of age 55 (for employees with five or more years of vesting service).

Disability³

• 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
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³ The benefit otherwise payable shall be reduced by the benefit provided under the Smithfield Packing Company Pension Plan that terminated on December 31, 1984.

Schedule SB, Part V — Summary of Plan Provisions

- 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 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 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**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
 - Joint and Survivor Annuity (100%, 75% or 66 2/3%)
 - 10-Year Certain and Continuous Annuity
 - Lump sum if less than \$7,500
 All options are actuarially reduced.
- Actuarial Equivalence

Late retirement increase:

 - Mortality Table – UP84 Mortality Table
 - Interest Rate – 7.00%

Optional form:

 - Mortality Table – 1994 Group Annuity Reserving Table, projected to 2002, weighted 50% males/50% females
 - Interest Rate – 5.25%

Lump sum:

 - Section 417(e) interest rates and applicable mortality table

DEFINITIONS FOR JOHN MORRELL SALARIED EMPLOYEES – BENEFIT FROZEN AS OF DECEMBER 31, 2015**Definitions**

- Covered employees Any salaried person who is receiving compensation for personal services rendered in the employment of John Morrell & Company who was hired prior to January 1, 2013.
- Participation Participants in the plan prior to January 1, 1989 will continue to be participants in the plan. Salaried employees of John Morrell & Company (and any affiliated employer who adopts the plan) become a participant on January 1 or July 1 following completion of one year of service and attainment of age 21.

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• Employee contributions	There are no employee contributions to the plan. The employer pays the full cost of the plan.
• Service considered	Employment from hire date to termination date measured in whole and fractional years. Service is credited for service covered by the John Morrell & Company Hourly Employees Pension Plan. Credited service for Golden Sun Food employees is frozen as of December 29, 1986. Credited service for Roberts & Oake employees is frozen as of April 30, 1991. Both Golden Sun Food and Roberts & Oake employees continue to receive service for vesting and eligibility purposes only. Credited service for employees who participated in the Swift-Eckrich Inc. Pension Plan begins on October 3, 2006.
• Annual Compensation	Annual compensation for any calendar year is the annual rate of an employee's earnings from the employer as in effect on the first day of that calendar year. Annual compensation shall not include any payments made to the employee under any bonus or management incentive plan of the employer.
• Final average earnings	Average of the highest five (5) consecutive calendar years of earnings. Earnings are the annual rates in effect on each January 1.
• Adjusted Social Security Benefit	The smallest of the following: <ol style="list-style-type: none"> One-half of the estimated Social Security Benefit assuming the employee turned age 65 on his termination date; One-half of the estimated Social Security Benefit assuming the employee receives the same compensation rate from his termination date until age 65. This benefit is further multiplied by the ratio, not greater than 1, of the service at termination date to 25; 72% of the estimated Social Security Benefit assuming the employee receives zero compensation from his termination date until age 65. This benefit is reduced by 1/180 for each month between the ages of 60 and 65 and by 1/360 for each month between the ages of 45 and 60 that the retirement date precedes age 65; One-half of the actual Social Security Benefit.
• Accrued benefit	A lifetime benefit equal to the greater of (a) and (b), payable at the later of age 65 or five years of participation: <p>(a) 1.8% of Final Average Earnings times years of credited service (up to 25 years) less the Adjusted Social Security Benefit;</p> <p>(b) \$180 times years of credited service</p> <p>This benefit is reduced by the benefit payable under the John Morrell & Company Hourly Employees Pension Plan.</p>

Normal retirement

• Eligibility	A participant who is 65 with at least 5 years of participation in the plan is eligible to receive a normal retirement benefit.
• Benefit	The normal retirement benefit is the accrued benefit based on final average earnings and credited service at normal retirement date.

Early retirement

• Eligibility	A participant who is 55 with at least 10 years of service, or age 45 with Rule of 65 if involuntary terminated is eligible to receive an early retirement benefit.
• Benefit	The early retirement benefit is the accrued benefit based on final average earnings and credited service at early retirement date. The accrued benefit is

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reduced by 0.5% for each month which the benefit commencement date precedes age 60.

Late retirement

- **Eligibility** If a participant works past his normal retirement date, the normal retirement benefit will be deferred to the participant's actual retirement date.
- **Benefit** Benefit calculated as the greater of:
 - Amount based on service and salary to the participant's normal retirement date actuarially increased to the actual retirement date, or
 - Amount based on service and salary to the actual retirement date.

Deferred vested

- **Eligibility** A participant who terminates employment with at least 5 years of vesting service is eligible for a deferred vested benefit.
- **Benefit** The deferred vested benefit is the accrued benefit based on final average earnings and credited service at date of termination.
Payments commence at age 65. A participant may elect to have payments commence at any time between age 55 and 65. If payments commence prior to 65, the monthly benefit is reduced by $\frac{1}{2}\%$ for each month the benefit commencement date precedes the attainment of age 65.

Pre-retirement death (Active)

- **Eligibility** The spouse of an active participant who dies after completing 5 years of service is eligible to receive a death benefit.
- **Benefit** The benefit is payable immediately as if the participant had survived to retirement and elected the joint and 50% survivor benefit. If the spouse dies with a dependent child (of the employee), that child will receive 85% of the spouse's benefit until his 18th birthday.
- **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.

Pre-retirement death (Terminated Vested)

- **Eligibility** The spouse of a participant who dies after termination of employment but before his actual retirement date and who elected survivor coverage is eligible for a death benefit.
- **Benefit** The spouse shall receive a joint and 50% survivor benefit reduced for early commencement and for months the coverage was in effect.
- **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**
 - Joint and Survivor Annuity (100%, 75%)
 - 10-Year Certain and Continuous Annuity

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In no event may a married participant elect a benefit form other than a qualified joint and survivor form of benefit with payments continuing to the participant's spouse after the participant's death unless the spouse of the participant approves the election in writing and such approval is notarized.

Involuntary cashout benefits with a present value of not more than \$1,000 will be paid as a lump sum. Participants with a present value between \$1,000 and \$5,000 may elect to receive a lump sum.

All options are actuarially reduced.

<ul style="list-style-type: none"> Actuarial Equivalence 	<p>Late retirement increase:</p> <ul style="list-style-type: none"> Mortality Table – UP84 Mortality Table Interest Rate – 7.00% <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
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All Groups**Miscellaneous**

<ul style="list-style-type: none"> Maximum compensation 	<p>Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2020, the limit is \$285,000.</p>
<ul style="list-style-type: none"> Maximum benefits 	<p>Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2020, the limit is \$230,000.</p>

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- Most recent plan amendments included:** All amendments through December 31, 2019 have been reflected in this valuation.
- 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) and 401(a)(17) have been incorporated into our calculations.

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- **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% 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.

Plan provisions specific to funding**Additional benefits included or excluded**

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits for events that occurred before the valuation date but includes contingent event benefits for events that 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:** The plan does not have any unpredictable contingent event benefits.

Plan provision changes since prior valuation

Maximum compensation amounts and maximum benefit amounts under IRS rules were updated from 2019 to 2020.

Schedule SB, line 24 — Change in Actuarial Assumptions

Actuarial assumption changes since prior valuation

- The expected investment return for funding was changed from 6.11% for 2019 to 5.94% for 2020. The rate each year is the lessor of the long-term rate of return on assets (6.25% per year for 2020, 6.50% per year for 2019) and the 3rd stabilized segment rate for the applicable plan year (5.94% for 2020, 6.11% for 2019).