

## **SHAREHOLDER PROPOSAL REGARDING BOARD DIVERSITY**

### **RESOLVED:**

Shareholders request that the Board of Directors prepare a report by April 1, 2018, at reasonable expense and omitting proprietary information and other information protected by privacy and other laws, on steps Tyson is taking to foster greater diversity on the Board over time, including but not limited to, the following:

1. The inclusion of women and minority candidates in every pool from which Board nominees are chosen and Tyson's plans to advance Board diversity; and
2. An assessment of challenges experienced and progress achieved.

### **SUPPORTING STATEMENT:**

Research has confirmed the business case for board diversity, linking it to better stock market and financial performance. As it relates to the American poultry industry, board diversity also has the potential to foster sustainable improvements in the health and welfare of workers. Board diversity brings a stronger mix of leadership skills, improved understanding of consumer preferences, reduced reputational harm associated with workplace discrimination, a larger candidate pool from which to pick top talent, and more attention to risk. Not surprisingly, nine out of ten investors believe boards should revisit their director diversity policies, according to a 2014 survey by PriceWaterhouseCoopers.

American poultry workers routinely face substandard working conditions and either cannot or do not know how to stand up for their human rights. Research demonstrates that poultry workers suffer elevated rates of injury and illness and face obstacles to reporting poor working conditions. While Tyson has publicly stated robust policies about working conditions, recent news reports and OSHA investigations have identified a substantial gap between these policies and actual conditions inside plants.

Nearly two-thirds of Tyson's workforce is comprised of people of color, a statistic that Tyson is, and should be, proud of. Yet, only one person of color currently sits on Tyson's Board. Similarly, the number of women on Tyson's Board (two out of nine) lags behind the proportion of women in its workforce (39%). Tyson has a moral and legal obligation to ensure the health and safety of its workers. A Board that better represents the gender and racial diversity of the workforce would go a long way towards identifying problems in working conditions and narrowing the gap between policy and reality.

While Tyson has laudably committed itself to promoting diversity among its Team Members and suppliers, its efforts can, and should, go further. Diversity should be emphasized and promoted at all levels, including, most importantly, in its Board, which is responsible for setting policies and objectives in an increasingly dynamic, multi-cultural and interconnected world. As a company that employs over 115,000 Team Members and provides products in 130 countries, Tyson has an obligation to its shareholders to ensure that its corporate governance principles appropriately take diversity into account.