



GRANTED WITH MODIFICATIONS

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Case No. 2018-0058-JTL



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE PILGRIM'S PRIDE CORPORATION :
DERIVATIVE LITIGATION : Consol. C.A. No. 2018-0058-JTL
:

SCHEDULING ORDER

WHEREAS, a consolidated stockholder derivative action is pending in this Court captioned *In re Pilgrim's Pride Corporation Derivative Litigation*, Consol. C.A. No. 2018-0058-JTL (the "Action");

WHEREAS, (a) plaintiffs Matthew Sciabacucchi ("Sciabacucchi") and Employees' Retirement System of the City of St. Louis ("St. Louis," and, together with Sciabacucchi, "Plaintiffs"); (b) defendants JBS S.A. ("JBS") and JBS USA Holdings Lux S.á r.l. ("JBS Lux"); (c) defendants William Lovette, Andre Nogueira de Souza, Gilberto Tomazoni, and Denilson Molina (collectively, the "Individual Defendants," and, together with JBS and JBS Lux, "Defendants"); and (d) nominal defendant Pilgrim's Pride Corporation ("PPC" and, together with Plaintiffs and Defendants, the "Parties") have entered into the Stipulation and Agreement of Settlement, Compromise, and Release dated October 3, 2019 (the "Stipulation"), which provides for the full settlement, satisfaction, compromise, and release of all Released Plaintiffs' Claims against the Released Defendants' Persons and dismissal with prejudice of the Action; and

WHEREAS, in accordance with the Stipulation, the Parties have made an application, pursuant to Court of Chancery Rule 23.1, for entry of a scheduling order in accordance with the Stipulation, approving the form and content of the notice of the Settlement to PPC stockholders, and scheduling the date and time for the Settlement Fairness Hearing.

WHEREAS, the Court having read and considered the Stipulation and the exhibits attached thereto; the Stipulation being sufficient to warrant notice to PPC stockholders; and all Parties having consented to the entry of this Order.

NOW THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____, 2019, as follows:

1. **Definitions:** Unless otherwise defined herein, the capitalized terms used herein shall have the same meanings as they have in the Stipulation.

2. **Settlement Fairness Hearing:** The Court will hold a settlement fairness hearing (the “Settlement Fairness Hearing”) on _____, 2019, at ____:____.m., at the Court of Chancery of the State of Delaware, _____, for the following purposes:

- (a) to determine whether Plaintiffs and Plaintiffs’ Counsel have adequately represented the interests of PPC and its stockholders;
- (b) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and

adequate to PPC and its stockholders, and should be approved by the Court;

- (c) to determine whether a Final Order and Judgment, substantially in the form attached as Exhibit D to the Stipulation, should be entered dismissing the Action with prejudice against Defendants;
- (d) to consider the application by Plaintiffs' Counsel for an award of attorneys' fees and litigation expenses;
- (e) to consider any objections to the Settlement or the application by Plaintiffs' Counsel for an award of attorneys' fees and litigation expenses; and
- (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

3. The Court reserves the right to adjourn the Settlement Fairness Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Fairness Hearing or any adjournment thereof. The Court further reserves the right to approve the Stipulation and the Settlement, at or after the Settlement Fairness Hearing, with such modifications as may be consented to by the Parties and without further notice to PPC stockholders. The Court may,

for good cause, extend any of the deadlines set forth in this Order without further notice to PPC stockholders.

4. **Manner of Giving Notice:** Notice of the Settlement and the Settlement Fairness Hearing shall be given by PPC as follows:

- (a) no later than ten (10) calendar days following the date of entry of this Order (the “Notice Date”), PPC shall cause a copy of the Notice, substantially in the form attached as Exhibit C to the Stipulation, to be mailed by first-class mail to current PPC stockholders as of the close of business on the date of entry of this Order (“Current PPC Stockholders”) at their last known addresses as shown on the stock records maintained on behalf of PPC;
- (b) no later than the Notice Date, PPC shall post a copy of the Notice and the Stipulation on the “Investor Relations” section of its website, www.pilgrims.com, and such documents shall remain posted to that website through the Effective Date of the Settlement; and
- (c) not later than twenty-seven (27) calendar days prior to the Settlement Fairness Hearing, PPC’s Counsel shall serve on Plaintiffs’ Counsel and file with the Court proof, by affidavit, of compliance with paragraphs 4(a) and (b) above.

5. **Approval of Form and Content of Notice:** The Court (a) approves, as to form and content, the Notice, attached to the Stipulation as Exhibit C, and (b) finds that the mailing and publication of the Notice in the manner and form set forth in paragraph 4 of this Order: (i) constitutes notice that is reasonably calculated, under the circumstances, to apprise PPC stockholders of the pendency of the Action, of the effect of the proposed Settlement (including the Releases to be provided thereunder), of Plaintiffs' Counsel's application for an award of attorneys' fees and expenses, of their right to object to the Settlement and/or Plaintiffs' Counsel's application for attorneys' fees and expenses, and of their right to appear at the Settlement Fairness Hearing; (ii) constitutes due, adequate and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (iii) satisfies the requirements of Court of Chancery Rule 23.1, the United States Constitution (including the Due Process Clause), and all other applicable law and rules. The date and time of the Settlement Fairness Hearing shall be included in the Notice before it is mailed and posted.

6. **Nominees Procedures:** All Current PPC Stockholders of record who are not also the beneficial owners of the shares of PPC common stock held by them of record shall be requested to forward the Notice to such beneficial owners of those shares. If additional copies of the Notice are required to forward to such beneficial owners, record holders may (a) request from PPC sufficient copies of the Notice to

forward to all such beneficial owners; or (b) provide a list of the names and addresses of all such beneficial owners to PPC, and PPC will send a copy of the Notice to the beneficial owners.

7. **Appearance and Objections at Settlement Fairness Hearing:** Any Current PPC Stockholder who or which continues to hold shares as of the date of the Settlement Fairness Hearing may enter an appearance in the Action, at his, her, or its own expense, individually or through counsel of his, her, or its own choice, by filing with the Register in Chancery and delivering a notice of appearance to Plaintiffs' Counsel, Defendants' Counsel and PPC's Counsel at the addresses set forth in paragraph 8 below, such that it is received no later than fourteen (14) calendar days prior to the Settlement Fairness Hearing, or as the Court may otherwise direct. Any Current PPC Stockholder who or which does not enter an appearance will be represented by Plaintiffs' Counsel and shall be deemed to have waived and forfeited any and all rights he, she, or it may otherwise have to appear separately at the Settlement Fairness Hearing.

8. Any Current PPC Stockholder who or which continues to hold shares of PPC common stock as of the date of the Settlement Fairness Hearing may file a written objection to the proposed Settlement and/or Plaintiffs' Counsel's application for an award of attorneys' fees and litigation expenses with the Register in Chancery in accordance with the requirements set forth in Paragraph 9, and may appear and

show cause, if he, she, or it has any cause, why the proposed Settlement and/or the application for attorneys' fees and expenses should not be approved; *provided, however*, that, unless otherwise directed by the Court for good cause shown, no such person or entity shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement and/or the application for attorneys' fees and expenses unless that person or entity has filed a written objection with the Register in Chancery and served (by hand, first class mail, or express service) copies of such objection on Plaintiffs' Counsel, Defendants' Counsel, and PPC's Counsel at the addresses set forth below, such that they are received no later than fourteen (14) calendar days prior to the Settlement Fairness Hearing.

Counsel for Plaintiffs:

Mark Lebovitch
Bernstein Litowitz Berger
& Grossmann LLP
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Kurt M. Heyman
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300 Delaware Avenue, Suite 200
Wilmington, DE 19801

Counsel for Defendants:

Adam Abensohn
Quinn Emanuel Urquhart
& Sullivan, LLP
51 Madison Avenue, 22nd Floor
New York, NY 10010

Michael A. Barlow
Abrams & Bayliss LLP
20 Montchanin Road, Suite 200
Wilmington, DE 19807

Counsel for PPC:

Kevin R. Shannon
Potter Anderson & Corroon LLP
Hercules Plaza
1313 North Market Street, 6th Floor
Wilmington, DE 19801

9. Any objections, filings, and other submissions must: (a) state the name, address, and telephone number of the objector and, if represented by counsel, the name, address, and telephone number of his, her, or its counsel; (b) be signed by the objector; (c) state that the objection is being filed with respect to “*In re Pilgrim’s Pride Corporation Derivative Litigation*, Consol. C.A. No. 2018-0058-JTL”; (d) contain a specific, written statement of the objection(s) and the specific reason(s) for the objection(s), including any legal and evidentiary support the objector wishes to bring to the Court’s attention, and if the objector has indicated that he, she, or it intends to appear at the Settlement Fairness Hearing, the identity of any witnesses the objector may call to testify and any exhibits the objector intends to introduce into evidence at the hearing; and (e) include documentation sufficient to prove that the objector owned shares of PPC common stock as of the close of trading on the date of entry of this Order and contain a statement that the objector continues to hold shares of PPC common stock as of the date of filing of the objection and will continue to hold shares of PPC common stock as of the date of the Settlement Fairness Hearing.

10. Unless the Court orders otherwise, any person or entity who or which does not make his, her, or its objection in the manner provided herein shall: (a) be deemed to have waived and forfeited his, her, or its right to object to any aspect of the proposed Settlement or Plaintiffs’ Counsel’s application for an award of

attorneys' fees and litigation expenses; (b) be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement, the Judgment to be entered approving the Settlement, or the attorneys' fees and expenses requested or awarded; and (c) be deemed to have waived and forever barred and foreclosed from being heard, in this or any other proceeding, with respect to any matters concerning the Settlement or the requested or awarded attorneys' fees and expenses.

11. **Stay and Temporary Injunction:** Until otherwise ordered by the Court, the Court stays all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation. Pending final determination of whether the Settlement should be approved, the Court (a) bars and enjoins Plaintiffs and all other PPC stockholders from commencing, prosecuting, instituting or in any way participating in the commencement or prosecution of any action asserting any Released Plaintiffs' Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Defendants' Persons; and (b) bars and enjoins PPC and Defendants from commencing, prosecuting, instituting or in any way participating in the commencement or prosecution of any action asserting any Released Defendants' Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Plaintiffs' Persons.

12. **Notice Costs:** All Notice Costs shall be paid by PPC or its successor(s)-in-interest, regardless of whether the Court finally approves the Settlement, and in no event shall Plaintiffs, Defendants, or their attorneys be responsible for any Notice Costs.

13. **Use of this Order:** Neither the Term Sheet, the Stipulation, including the exhibits thereto, or the negotiations leading to the execution of the Term Sheet or the Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall be offered against any of the Released Defendants' Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Defendants' Persons with respect to any fact alleged by Plaintiffs in the Complaint or during the Action or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Defendants' Persons or in any way referred to for any other reason as against any of the Released Defendants' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement; or (b) shall be offered against any of the Released Plaintiffs' Persons as evidence of, or construed as, or

deemed to be evidence of any presumption, concession or admission by any of the Released Plaintiffs' Persons that any of their claims are without merit, that any of the Released Defendants' Persons had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement consideration or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Released Plaintiffs' Persons, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the Settlement. This provision shall remain in force in the event that the Settlement is terminated for any reason whatsoever.

14. **Termination of Settlement:** If the Settlement is terminated as provided in the Stipulation, this Order shall be vacated, rendered null and void, and be of no further force and effect (except as otherwise provided by the Stipulation), and this Order shall be without prejudice to the rights of Plaintiffs, Defendants, PPC, and its stockholders, and the Parties shall each revert to their respective litigation positions in the Action as of immediately prior to the execution of the Term Sheet on September 5, 2019, as provided in the Stipulation.

15. **Supporting Papers:** Plaintiffs' Counsel shall file their opening papers in support of the proposed Settlement and the application for an award of attorneys' fees and litigation expenses no later than twenty-seven (27) calendar days prior to

the Settlement Fairness Hearing; any objections thereto shall be filed no later than fourteen (14) calendar days prior to the Settlement Fairness Hearing; and reply papers, if any, shall be filed no later than five (5) calendar days prior to the Settlement Fairness Hearing.

16. **Final Approval:** If the Settlement is approved by the Court following the Settlement Fairness Hearing, the Parties will request that the Court enter the Judgment, substantially in the form attached as Exhibit D to the Stipulation.

17. **Retention of Jurisdiction:** The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

Vice Chancellor J. Travis Laster

This document constitutes a ruling of the court and should be treated as such.

Court: DE Court of Chancery Civil Action

Judge: J Travis Laster

File & Serve

Transaction ID: 64274543

Current Date: Oct 08, 2019

Case Number: 2018-0058-JTL

Case Name: CONF ORD - CONS W/ 2018-0370-JTL - IN RE PILGRIM'S PRIDE CORPORATION
DERIVATIVE LITIGATION

Court Authorizer: Laster, J Travis

Court Authorizer

Comments:

The Court will hold a settlement fairness hearing on Tuesday, January 28, 2020, at 11:00 a.m. in Courtroom 12B.

/s/ Judge Laster, J Travis