

SANDERSON FARMS, INC.

CORPORATE GOVERNANCE PRINCIPLES

January 17, 2019

Role and Composition of the Board of Directors

1. General. The Board of Directors is elected by the stockholders and is the ultimate decision-making body of the Company, except with respect to those matters reserved to the stockholders. The Board oversees the affairs of the Company for the benefit of its stockholders, while day-to-day operation of the Company is the responsibility of management.

The Directors' primary responsibilities are to exercise their business judgment to act in what they reasonably believe to be our Company's and our stockholders' best interests, and to optimize our stockholders' long-term financial returns. The Board is permitted by Mississippi corporation law to consider the interests of other relevant stakeholders and societal considerations in determining what is in the Company's and stockholders' best interests. These stakeholders and societal considerations may include the Company's employees, customers, creditors, contract farmers, communities, live animals, and the environment, among others.

The Board approves and monitors our long-term strategic plan. It selects the Chief Executive Officer and other members of the senior management team, who are subject to oversight by the Board. The Board acts as an advisor and counselor to senior management and monitors its performance, including management's achievement of annual operational goals. The function of the Board to monitor our strategic plan and the performance of senior management is facilitated by the presence of non-employee Directors of stature who have substantive knowledge of the Company's business. The Board is also responsible for setting a "tone at the top" for legal and ethical conduct, and overseeing policies designed to ensure that our management and employees operate in a legal and ethical manner.

2. Succession Planning. The Board has adopted a written management succession policy pursuant to which it plans for succession to the positions of Chief Executive Officer, Chief Operating Officer and Chief Financial Officer ("key officers"). The policy requires the key officers to periodically provide the Nominating and Governance Committee of the Board and the Lead Independent Director with an assessment of senior managers and their potential to succeed the key officers. The key officers must also report on the Company's training and recruiting efforts for other senior management positions.

The Board has in place a temporary succession plan in the event of the unexpected incapacity or unavailability for any reason of the Chief Executive Officer, the Chief Operating Officer or the Chief Financial Officer.

3. Board Leadership. The Board annually elects a Chairman of the Board and a Chief Executive Officer of the Company, based on the recommendation of the Nominating and Governance Committee. The Board believes that whether to have the same person occupy the offices of Chairman of the Board and Chief Executive Officer should be decided by the Board, in

its business judgment after considering relevant factors, including the specific needs of the business and what is in the best interest of the Company's stockholders. If the individual elected as Chairman of the Board is also the Chief Executive Officer, our By-laws require that the independent Directors elect a Lead Independent Director annually.

The Chairman of the Board presides at all meetings of the stockholders and of the Board as a whole, and performs such other duties, and exercises such powers, as prescribed in the Company's By-laws or by the Board. Our By-Laws provide that the Lead Independent Director:

- a. presides at all meetings of the Board of Directors at which the Chairman of the Board is not present, including executive sessions of the independent directors;
- b. serves as a liaison between the Chairman of the Board and the independent directors;
- c. approves information sent to the Board of Directors in preparation for meetings of the Board of Directors;
- d. approves agendas for meetings of the Board of Directors;
- e. approves schedules for meetings of the Board of Directors to ensure that there is sufficient time for discussion of all agenda items;
- f. has the authority to call meetings of the independent directors;
- g. be available for communications with the corporation's stockholders; and
- h. has such other responsibilities as the Board of Directors may determine from time to time.

Any director may request that items be added to the Board's agenda.

4. Director Independence. It is the policy of the Company that the Board consists of a majority of independent Directors, as defined by the Nasdaq Stock Market listing rules. Among other requirements under those rules, a non-employee Director is considered independent only if the Board affirmatively determines that the Director does not have any relationship which, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a Director. The Board will consider all relevant facts and circumstances in making an independence determination. In addition, the Board monitors on a regular basis changes in the facts and circumstances bearing on the Directors' independent status and determines annually whether each Director is independent or non-independent.

5. Board Size. Our By-laws provide that the Board shall from time to time set the number of Directors, not to exceed 15. Directors are elected for staggered, three-year terms.

6. Selection Criteria. When requested by the Board, the Nominating and Governance Committee actively seeks individuals qualified to become Directors for recommendation to the Board, and it oversees the process of identification, screening, and recommendation of Director

candidates. The committee annually recommends a slate of Directors for approval by the Board and election by the stockholders. The committee seeks to complete customary vetting procedures and background checks with respect to individuals suggested for potential Board membership by stockholders of the Company or other sources.

Board candidates are selected for, among other things, their business experience, acumen and substantial achievement in an area relevant to the Company; leadership positions in organizations relevant to the Company, such as organizations in the manufacturing, marketing, technology, finance, risk management, educational and not-for-profit sectors; involvement in their communities; integrity and reputation for ethical conduct; independence; diversity of professional and personal backgrounds, including diversity in gender, race and age; concern for the long-term interests of our stockholders; commitment to congeniality and mutual respect for other Directors and management; ability to exercise sound business judgment and provide an objective appraisal of management's plans and programs; and ability to devote significant time to their responsibilities. Our By-laws require that Directors be at least 21 years of age and United States citizens.

Candidates are initially considered by the Nominating and Governance Committee and may be recommended to the full Board by the Committee. Final approval of a candidate is determined by the full Board. Candidates recommended by stockholders will be evaluated in accordance with the criteria set forth above.

The Board has adopted a "proxy access" by-law that sets forth the circumstances under which stockholders may include nominees for director in the Company's annual meeting proxy materials.

7. Voting for Directors; Resignation Policy. In accordance with our Articles of Incorporation and By-laws, a nominee must receive the vote of a majority of the shares entitled to vote and represented at a stockholders' meeting at which a quorum is present in order to be elected or re-elected to the Board. The Board expects a Director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as Director, and shall appoint persons as Directors to fill vacancies, only candidates who agree to tender, promptly following such person's failure to receive the required vote for election or re-election at the next stockholder meeting at which such person is a nominee, an irrevocable resignation that will be effective upon Board acceptance of such resignation.

If an incumbent Director fails to receive the required vote for re-election, then, within 90 days following certification of the stockholder vote, the Nominating and Governance Committee will act to determine whether to accept the Director's resignation and will submit such recommendation for prompt consideration by the Board, and the Board will act on the committee's recommendation. The Nominating and Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a Director's resignation. Any Director who tenders his or her resignation pursuant to this provision shall not participate in the Nominating and Governance Committee recommendation or Board action regarding whether to accept the resignation offer.

The Board will promptly disclose its decision whether to accept the Director's resignation

offer (or its reasons for rejecting the offer, if applicable) in a Current Report on Form 8-K filed with the SEC.

If each member of the Nominating and Governance Committee fails to receive the required vote in favor of his or her election in the same election, then those independent Directors who did receive the required vote shall appoint a committee from amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. However, if the only Directors who receive the required vote in the same election constitute three or fewer Directors, all Directors may participate in the decision whether to accept the resignation offers.

8. Director Service on Other Public Boards. Ordinarily, Directors should not serve on more than three other boards of public companies in addition to the Company's Board.

9. Director Compensation. The Nominating and Governance Committee periodically reviews and recommends to the full Board the amount and form of compensation of non-employee Directors. Directors who are employees of the Company do not receive additional compensation for Board service.

10. Ownership Guidelines. Each non-employee Director is encouraged to hold at least 4,000 shares of Sanderson Farms common stock while serving as a Director of the Company. The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer are Directors. The Chief Executive Officer is encouraged to hold at least 125,351 shares, the Chief Operating Officer is encouraged to hold at least 40,772 shares and the Chief Financial Officer is encouraged to hold at least 34,937 shares each. Stock ownership includes stock owned directly, indirectly through the Company's 401(k) plan or Employee Stock Ownership Plan, restricted stock, and earned performance shares.

11. Director Changes in Occupation and Retirement. Directors are expected to notify the Board if there is a change in their principal occupation, and if they are elected or appointed to the board of directors of another company (whether public or private). There is no mandatory retirement age from Board service for Directors. Directors are expected to retire if, for any reason, they determine that they can no longer fulfill their duties as Directors.

12. Board and Committee Self-Evaluation. The Board and each committee are required to conduct a self-evaluation of their performance, composition, leadership structure and governance at least annually. The evaluation format and process is supervised by the Nominating and Governance Committee. Currently, the self-evaluation process is conducted through personal, one-on-one interviews of each Director by the Chair of the Nominating and Governance Committee or the Lead Independent Director. The interviews provide an opportunity for Directors to assess or comment on individual Directors. Once the interviews are completed, the Chair of the Nominating and Governance Committee and the Lead Independent Director confer and compile a joint report that they present to the full Board. The Lead Independent Director is tasked with ensuring that there is follow-up on any action items that result from the evaluation process.

13. Term Limits and Board Refreshment. The Board does not endorse arbitrary term limits on Directors' service, nor does it believe in automatic re-nomination. Term limits may cause the loss of experience and expertise important to the optimal operation of the Board, especially

given the cycles of profitability that are characteristic of a commodity business. Directors who have served on the Board for an extended period of time can provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history and objectives. However, to ensure that the Board continues to evolve and remains composed of highly functioning members able to keep their commitments to Board service, the Nominating and Governance Committee will evaluate the qualifications and performance of each incumbent Director before recommending the nomination of that Director for an additional term. The committee and the Board also annually assess the Board's need for new directors with different skills, expertise and perspectives. The Board self-evaluation process is a critical part of assessing the Board's composition.

14. Committees. It is the general policy of the Company that all major decisions be considered by the Board as a whole. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to, or required or appropriate for, the operation of the Company. Currently these committees are the Audit Committee, Compensation Committee and Nominating and Governance Committee.

The members and chairs of these committees are recommended to the Board by the Nominating and Governance Committee. Each committee is made up of only independent Directors. In addition to the requirement that a majority of the Board satisfy the independence standards noted above in Paragraph 4, members of the Audit Committee and the Compensation Committee also must satisfy additional Nasdaq Stock Market listing standards and SEC rules related to membership on those committees. There is no strict committee rotation policy, and changes in committee assignments may be made based on committee needs, Director interests, experience and availability, and applicable legal and regulatory considerations.

15. Director Orientation and Continuing Education. In furtherance of its policy of having major decisions made by the Board as a whole, the Company has a full orientation process for new Directors and a continuing education process for all Board members, each of which includes extensive materials, meetings with key management and visits to Company facilities. While Directors are provided with Company and industry updates on an on-going basis, the Company holds a special "in-house" continuing education session for the Board each April. Directors are also encouraged to attend third-party conferences and seminars designed for public company directors and the Company reimburses each Director up to \$10,000 in related expenses each year.

16. Executive Officer Annual Evaluation. The Compensation Committee or its Chair or other designee, and the Lead Independent Director, meet annually with the key officers to review their performance against the Company's short and long-term performance goals. The committee also receives the Chief Executive Officer's views of the performance of the Chief Operating Officer and the Chief Financial Officer, and the views of the Chief Financial Officer of the corporate Secretary's performance. These meetings with the key officers also allow Board leaders to discuss management succession matters with the officers.

The Compensation Committee Chair and the Lead Independent Director report on these meetings to the Compensation Committee and other independent directors annually when executive compensation decisions are made for the next fiscal year.

17. Communication with Stakeholders. The Chief Executive Officer is responsible for establishing effective communications with the Company's stakeholder groups, i.e., stockholders, customers, Company associates, communities, suppliers, creditors, governments and corporate partners.

It is the policy of the Company that senior management speaks for the Company and the Chief Executive Officer is the chief Company spokesperson. The Board has adopted a Policy on Boardroom Confidentiality that provides that Directors should not comment publicly on Company or industry matters without first consulting with the Chief Executive Officer or the Board. Directors should refer outside inquiries to the Company's three senior officers. If it is appropriate for an outside Director to speak for the Company, the Lead Independent Director may do so in close consultation with the Chief Executive Officer.

Directors are encouraged to and do attend the Company's annual investor conference (currently held in October) and to engage with the Company's stakeholders at that conference within the framework outlined in this Paragraph 17. The Lead Independent Director and the committee chairs also from time to time join management in meetings with individual stockholders.

18. Stockholder Advisory Vote on Executive Compensation (Say-on-Pay). It is the Board's policy that the Company will submit to a stockholder vote an advisory (non-binding) resolution on the compensation of the Company's named executive officers, as described in the Company's proxy statement, every year.

19. Meeting Attendance. All Board members are expected to attend our annual meeting of stockholders, all Board meetings and meetings of committees on which they serve, unless an emergency or unavoidable conflict prevents them from doing so.

Board Functions

20. Meetings and Agenda. The Board holds six regularly scheduled meetings per year (five in person meetings and one regular telephonic meeting), and holds special meetings as needed. Certain items pertinent to the oversight and monitoring responsibility of the Board will be considered by the Board regularly. The Board will review the Company's long-term strategic plan and the most significant financial, accounting and risk management issues facing the Company during at least one Board meeting each year.

The Chief Executive Officer, with the assistance of the Chief Financial Officer and approval from the Lead Independent Director, sets the agenda for Board meetings, including agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chair of that committee. Any member of the Board may request that an item be included on the agenda.

21. Board Materials. Board materials related to agenda items are provided to Board members sufficiently in advance of Board meetings to allow the Directors to prepare for discussion of the items at the meeting.

22. Participation. The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer are members of the Board. At the invitation of the Board, other members of senior management and other employees attend Board meetings or portions thereof for the purpose of making presentations, answering questions or participating in discussions.

23. Director Access to Corporate and Independent Advisors. Board members have free access to all members of management and employees of the Company. The Board and its committees may each, in their discretion, consult with independent legal, financial, accounting and other advisors to assist in their duties, and are provided funding by the Company for the payment of the reasonable fees and expenses of such advisors. In addition, Directors have full and free access the books and records of the Company.

24. Executive Sessions. The independent Directors hold regularly scheduled executive sessions (typically in conjunction with four of the Board's six regularly scheduled meetings per year). The Lead Independent Director presides at such sessions and determines the agenda. These sessions may include, but are not limited to, discussion of management and Board succession; the performance of the CEO and other senior management; and the Company's strategic plan. Any independent Director may request that a topic be added to the agenda. The Company's independent public accountants and outside counsel are present at the beginning of executive sessions, but they are ultimately excused so that only independent Directors are present.

The non-employee Directors (including those who do not meet the Nasdaq definition of "independent director") also meet periodically without management present. Meetings of the independent Directors or all non-employee Directors are held from time to time with the Chief Executive Officer present for a general discussion of relevant subjects.

The Chief Financial Officer and members of the Company's accounting staff customarily attend Audit Committee meetings to answer accounting related questions and to discuss internal audits and related matters, but the Audit Committee holds periodic executive sessions with the Company's independent public accountants and outside counsel without members of management present, and holds periodic executive sessions with only its members present.

Committee Functions

25. Charters. Each of the Audit, Compensation and Nominating and Governance Committees has its own charter, which sets forth the responsibilities of the committee and the qualifications and procedures of the committee.

26. Meeting Conduct. The frequency and agenda of meetings of each of the committees are determined by the chair of the committee, consistent with the committee charter and the Company's needs. Typically the committees meet in person in conjunction with at least four of the six regularly-scheduled Board meetings per year, and by telephone at other times during the year as the need arises. Sufficient time to consider the agenda items is provided. Materials related to agenda items are provided to the committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting.

At the invitation of a committee chair, members of senior management and other employees attend committee meetings or portions thereof for the purpose of making presentations and answering questions. If such persons are employee-Directors, they are excused from committee meetings before final deliberations and voting, pursuant to Board policy.

Periodic Review of Corporate Governance Principles

27. These principles are reviewed by the Board at least annually.

Board Policies

28. The Board maintains written policies on certain specific matters that supplement these Corporate Governance Principles. Currently, these are:

- Policy on Boardroom Confidentiality
- Procedure for Officer-Directors to Participate in Committee Meetings
- Policy on Compliance by Directors, Officers and Employees with the Federal Securities Laws
- Policy on Communications from Stockholders
- Management Succession Planning Policy.

In addition to these policies, all Directors are subject to our company-wide Corporate Code of Conduct, and must acknowledge in writing their adherence to the code annually.

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