

SANDERSON FARMS, INC.

CORPORATE GOVERNANCE PRINCIPLES

October 23, 2014

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 approves and monitors our overall strategic plan. It selects the Chief Executive Officer and other members of the senior management team, which is charged with the conduct of the Company's business, subject to oversight by the Board. Having selected the senior management team, the Board acts as an advisor and counselor to senior management and monitors its performance. The function of the Board to monitor 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 represents our stockholders' interests and is responsible for optimizing their long-term financial returns. It is also responsible for overseeing procedures designed to ensure that our management and employees operate in a legal and ethical manner.

2. Succession Planning. The Board plans for succession to the position of Chief Executive Officer as well as certain other senior management positions. To assist the Board, the Chief Executive Officer annually provides the Board with an assessment of senior managers and their potential to succeed him. He also provides the Board with an assessment of persons considered potential successors to certain senior management positions.

The Board has in place an emergency plan in the event of the 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. 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. 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 from time to time shall be prescribed in the Company's By-laws or by the Board; provided that the Lead Independent Director shall preside over executive sessions of the Company's independent Directors and any meetings of the Board at which the Chairman is not present. In addition, the Lead Independent Director facilitates information flow and communication among the Directors and performs such other duties as may be specified by the Board and outlined in the By-laws.

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. 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 set the number of Directors at 15, elected for staggered, three-year terms.

6. Selection Criteria. The Nominating and Governance Committee oversees the process of identification, screening, and recommendation of director candidates and annually recommends a slate of directors for approval by the Board and election by the stockholders. Board candidates are selected for, among other things, their business experience and acumen, integrity and reputation for ethical conduct, independence, diversity of personal and professional backgrounds, 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 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. Final approval of a candidate is determined by the full Board.

7. Voting for Directors. 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.

8. Director Compensation. The Nominating and Governance Committee and the full Board periodically review the compensation of non-employee Directors. Directors who are employees of the Company do not receive additional compensation for Board service.

9. 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 is encouraged to hold at least 125,351 shares, the Chief Operating Officer is encouraged to hold 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 or unearned performance shares.

10. Director Changes in Occupation, Service on Other Boards 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.

11. Board and Committee Self-Evaluation. The Board, and each committee, are required to conduct a self-evaluation of their performance at least annually.

12. Term Limits. The Board does not endorse arbitrary term limits on Directors' service, nor does it believe in automatic annual re-nomination. The Board self-evaluation process is an important determinant for continuing service.

13. 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, Director Independence, 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.

14. 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 and continuing education process for Board members that 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 up to \$10,000 in related expenses are reimbursable by the Company each year.

15. Executive Officer Annual Evaluation. The Compensation Committee meets annually with the Chief Executive Officer to review his performance against the Company’s short and long-term performance goals. The committee also receives his 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.

16. 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 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.

17. Stockholder Advisory Vote on Executive Compensation (Say-on-Pay). It is the Board’s policy that, beginning with the Company’s 2014 annual meeting of stockholders, 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.

18. Annual Meeting Attendance. All Board members are expected to attend our annual meeting of stockholders unless an emergency prevents them from doing so.

Board Functions

19. Agenda. 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.

20. 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.

21. Board Meetings. The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer are members of the Board. At the invitation of the Board, members of senior management attend Board meetings or portions thereof for the purpose of making presentations or participating in discussions.

22. 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 shall be provided funding by the Company for the payment of the reasonable fees and reasonable out-of-pocket expenses of such advisors.

23. Executive Sessions. Executive sessions or meetings of only independent Directors are held regularly (typically in conjunction with each of the Board's five regularly scheduled meetings per year). The Lead Independent Director presides at such sessions and determines the agenda. Any independent Director may request that a topic be added to the agenda. Meetings 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.

24. Annual Board Self-Evaluation. The Board, under the direction of the Nominating and Governance Committee, will prepare an annual performance self-evaluation.

Committee Functions

25. Independence. The Audit, Compensation and Nominating and Governance Committees consist only of independent Directors.

26. Meeting Conduct. The frequency, length and agenda of meetings of each of the committees are determined by the chair of the committee. Typically the committees meet in person in conjunction with at least four of the five 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.

27. Scope of Responsibilities. The responsibilities of each of the committees are determined by the Board from time to time and are set forth in the committee's charter.

28. Annual Committee Self-Evaluation. Each committee is responsible for preparing an annual performance self-evaluation.

Periodic Review of Corporate Governance Principles

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

Board Policies

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

- Policy on Boardroom Confidentiality
- Procedure for Non-Independent Director to Participate in Committee Meetings
- 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.

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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