

### --- Note O: Common Shares ---

**Reclassification of Common Shares:** In August 2000, the Company combined its Class A and Class B common shares into a single class of common shares with terms similar to the former Class A common shares. In conjunction with this combination, on August 28, 2000, the Company repurchased 4,037,962 common shares at \$19.57 per share. The Company incurred approximately \$1,363,000 of cost related to the combination and repurchase of common shares. Such costs were recorded as a reduction of shareholders' equity.

**Voting:** The Company's Amended Articles of Incorporation provide that holders of the Company's common shares generally will be entitled to cast one vote per share on matters submitted to a vote of the shareholders. There are certain matters specified in the Amended Articles (including any matters that relate to or would result in the dissolution or liquidation of the Company; the amendment of the articles of incorporation or regulations of the Company other than any amendment that increases the number of votes to which holders of new common shares are entitled or expand the matters to which time phase voting applies; any proposal or other action to be taken by shareholders relating to the Company's shareholder rights plan or any successor plan; any matter relating to any benefit, stock option, compensation, or other similar plan; any matter that relates to or may result in a change in control of the Company including any merger, consolidation, majority share acquisition, control share acquisition, sale or other disposition of all, or substantially all, of the Company's assets; or any matter relating to the issuance, redemption, or repurchase of shares of the Company or any of its subsidiaries), however, with respect to which parties acquiring the Company's common shares will be entitled to cast one vote per share until they have held their shares for four years, after which time they will be entitled to cast ten votes per share on those specified matters.

**Shareholders' Rights Plan:** Pursuant to a shareholders' rights plan established during fiscal 1999, one share purchase right is associated with each of the Company's outstanding common shares.

Under the plan, the rights will initially trade together with the Company's common shares and will not be exercisable. In the absence of further action by the directors, the rights generally will become exercisable and allow the holder to acquire the Company's common shares at a discounted price if a person or group acquires ten percent or more of the outstanding common shares. Rights held by persons who exceed the applicable thresholds will be void. Shares held by members of the Smucker family are not subject to the thresholds. If exercisable, each right entitles the shareholder to buy one common share at a discounted price. Under certain circumstances, the rights will entitle the holder to buy shares in an acquiring entity at a discounted price.

The plan also includes an exchange option. In general, if the rights become exercisable, the directors may, at their option, effect an exchange of part or all of the rights, other than rights that have become void, for common shares. Under this option, the Company would issue one common share for each right, in each case subject to adjustment in certain circumstances.

The Company's directors may, at their option, redeem all rights for \$0.01 per right, generally at any time prior to the rights becoming exercisable. The rights will expire May 14, 2009, unless earlier redeemed, exchanged, or amended by the directors.