

INTERNATIONAL MULTIFOODS CORPORATION

PRINCIPLES OF CORPORATE GOVERNANCE

1. **Selection of Chairman and CEO**

The Chairman of the Board of the Company is also the Chief Executive Officer. The Board reserves the right to decide at any time whether it is in the best interest of the Company to keep separate the positions of Chairman of the Board and Chief Executive Officer.

2. **Lead Director Concept**

The Board has not adopted a lead director concept. In those instances where the outside directors meet without the Chairman of the Board, the Chair of the Nominating and Corporate Governance Committee shall chair that meeting.

3. **Number of Board Committees**

The Board has five committees: Audit, Compensation and Human Resources, Executive, Finance and Benefit Investment, and Nominating and Corporate Governance. The Board has the flexibility to form a new committee or disband a current committee. The Bylaws of the Company currently provide that only Independent Directors (as defined in Section 17 (c) of Article II of the Bylaws) may be members of the Compensation and Human Resources Committee and the Nominating and Corporate Governance Committee. It is the policy of the Board that only outside directors serve on the Audit Committee and the Finance and Benefit Investment Committee.

The Nominating and Corporate Governance Committee has the responsibility to review corporate governance principles and issues and make recommendations to the Board.

4. **Assignment and Rotation of Committee Members and Committee Chairs**

The Board, upon recommendation of the Nominating and Corporate Governance Committee of the Board, designates the members of Board Committees taking into account each outside director's particular experience, knowledge and preference. The Board believes that the chair and membership of the Board Committees should rotate every three years. However, the Board does not believe that rotation should be mandated since there are significant benefits attributable to continuity, experience gained in service on a Board Committee, and the particular expertise and talent of individual directors.

5. **Frequency and Length of Board and Committee Meetings**

The Board, at least bi-yearly, adopts a master schedule of regular meetings of the Board, and regular meetings of the Audit, Compensation and Human Resources, Finance and Benefit Investment and Nominating and Corporate Governance Committees. At least four regular meetings of the Board are held each year. The Chairman determines the length of the meetings of the Board, and the Chairman, in consultation with the Board Committee chairs, determines the length of the Board Committee meetings. The Chair of the Executive Committee determines the frequency and length of the meetings of this Committee.

6. **Committee Agendas**

Appropriate members of management and staff and Board Committee chairs develop the agendas for Committee meetings. Each member of the Committee is free to raise at any Committee meeting subjects that are not on the agenda. Committee actions are reported to the full Board.

7. Agenda Items for Board Meetings

The Chairman of the Board establishes the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda and to raise subjects that are not on the Board agenda. At least one Board meeting each year includes a special Board session during which the Board reviews corporate and business unit strategic business plans.

8. Board Materials Distributed in Advance

It is the policy of the Board that agendas and related back-up materials for Board and Board Committee meetings be sent to the directors in advance of the meeting. Such materials are prepared in reasonable summary form. However, any director desiring additional data, reports or further detailed information has the right to obtain whatever information is reasonably available.

9. Regular Attendance of Non-Directors at Board Meetings

The Chairman of the Board invites senior officers to regularly attend Board and Board Committee meetings, as appropriate.

10. Executive Sessions of Outside Directors

An executive session is scheduled at each regularly scheduled Board meeting at which outside directors have an opportunity to meet among themselves.

11. Contacts Among Directors and Board Access to Management

There are no restrictions on contacts or discussions by directors with officers of the Company; however any contact by a director should be carefully handled by the directors to avoid directing or interfering with normal day-to-day operations of the business. The Chief Executive Officer of the Company will determine appropriate ways to facilitate interaction between the directors and management.

12. Director Compensation

The Board encourages stock ownership by directors. Outside directors may elect to receive all or part of the amount of their annual retainer and meeting fees in shares of restricted Common Stock or options to purchase Common Stock of the Company. In addition, each outside director receives an annual grant of non-qualified stock options to purchase 2500 (as of July 1, 2002) shares of Company's Common Stock at a purchase price per share equal to the fair market value of a share of Common Stock on the date of grant.

13. Share Ownership Guidelines for Directors

Each outside director is expected to own Common Stock of the Company having a value of four times the amount of the annual retainer fee paid to such director. This amount will be accumulated within five years from July 1, 1998 or from the date a new directorship commences. On the date that this five-year period begins, the dollar amount of four times the annual retainer will be converted to a specific number of shares based on the closing price that day.

14. Size of the Board

It is the policy of the Board that the Board shall include a maximum of twelve and a minimum of seven directors.

15. Mix of Inside and Outside Directors

The Bylaws of the Company provide that a majority of the directors of the Company shall be Independent Directors. It is the policy of the Board that there will be no more than two inside directors on the Board.

16. Definition of "Independent Director"

The Company's Bylaws defining Independent Director were approved by the Board in March 1993. Under the Bylaws, the term "Independent Director" means a director who: (i) is not and has not been employed by the Company or its subsidiaries in an executive capacity within five years immediately prior to the annual meeting at which the nominees of the Board of Directors will be voted upon; (ii) is not (and is not affiliated with a company or firm that is) a significant advisor or consultant to the Company or its subsidiaries; (iii) is not affiliated with a significant customer or supplier of the Company or its subsidiaries; (iv) does not have significant personal services contract(s) with the Company or its subsidiaries; (v) is not affiliated with a tax-exempt entity that receives significant contributions from the Company or its subsidiaries; and (vi) is not a spouse, parent, sibling, child of any person described by (i) through (v).

17. Retiring Chief Executive's Board Membership

A retiring chief executive officer shall resign from the Board concurrent with his or her retirement date.

18. Board Membership Criteria

Outside directors of the Company should be persons with broad training, knowledge and experience in business, finance, education, government or other professions or vocations who have earned distinction in their chosen fields. Director nominees are also evaluated on the basis of the commitment they can make to the directorship, the time that will be required and their ability to add value to the Company.

19. Selection of New Director Candidates

The Nominating and Corporate Governance Committee considers, reviews, evaluates and recommends candidates for nomination for membership on the Board. The Committee, within the scope of the Board's policy on criteria for selection of director nominees, establishes minimum qualifications to be used in nominee selection and establishes procedures for handling recommendations received from the directors of the Company or other sources.

20. Assessment of the Board and Individual Directors

The Board believes that it is important that the Board and each director continually improve performance. It is for this reason that the Board has adopted a process to evaluate the Board as a whole on an annual basis. Additionally, the Board has adopted a process to evaluate each individual outside director's performance at least every three years. The Chair of the Nominating and Corporate Governance Committee and the Chairman of the Board will review with each incumbent director, prior to the time that such director's name is submitted to the

Nominating and Corporate Governance Committee for consideration as a director nominee for an additional term, the most recent performance evaluation of such director.

21. Annual Evaluation of the CEO

The Board annually evaluates the performance of the Chief Executive Officer. As part of this evaluation, the outside directors complete a written evaluation of the Chief Executive Officer's performance measured against stated annual objectives mutually agreed by the Chief Executive Officer and the Board. In addition, direct reports of the Chief Executive Officer evaluate the performance of the Chief Executive Officer based on their interactions during the year. At the conclusion of the process, the Board meets with the Chief Executive Officer to review the evaluation results.

22. Change of Status of Directors

It is the policy of the Board that any inside director or outside director whose affiliation or position of principal employment changes after election to the Board shall promptly submit his or her resignation as a director for consideration by the Board of the effect of that change upon the interest of the Company.

23. Retirement Age

It is the policy of the Board that outside directors of the Company shall retire from the Board effective immediately following the adjournment of the first annual meeting of stockholders after attaining age 70. Inside directors will not be eligible for election to the Board after attaining age 65 or following early retirement and, if in office as a director at such age, will be expected to resign upon attainment of age 65 or, if earlier, on the date of early retirement.

24. Succession Planning and Management Performance

It is the practice of the Board to annually review succession planning for key management positions and performance of people in those positions.