

RESOLVED: Shareholders of the J.M. Smucker Company (“Company” or “Smucker’s”) hereby ask the Board to amend the Company’s governing documents to provide that all matters presented to shareholders shall be decided by a majority of the shares voted FOR and AGAINST an item (or, “withheld” in the case of board elections). This policy shall apply to all matters unless shareholders expressly approve a higher threshold for specific types of items.

SUPPORTING STATEMENT:

Smucker’s is regulated by the Securities and Exchange Commission (SEC). The SEC dictates a vote-counting standard for establishing eligibility for resubmission of shareholder-sponsored proposals. It is the votes cast FOR, divided by the FOR plus AGAINST votes.

Smucker’s does not follow the SEC standard, but instead determines results by the votes cast FOR a proposal, divided by the FOR votes, AGAINST votes, and ABSTAIN votes.

This variant method makes Smucker’s an outlier among its peers in the S&P 500, which generally follow (with limited exceptions) the SEC standard.

Using ABSTAIN votes as Smucker’s does counters a hallmark of democratic voting – honoring the intention of the voter.

Smucker’s policy states (for shareholder-sponsored proposals) that abstentions “will have the same effect as votes against this proposal.” However, thoughtful voters who choose to abstain should not have their choices universally switched to management’s benefit.

THREE CONSIDERATIONS

[1] Abstaining voters consciously act to abstain – to have their vote noted, but not counted. Yet, Smucker’s unilaterally counts all abstentions in favor of management (irrespective of the voter’s intent).

[2] Abstaining voters consciously choose not to support management’s recommendation against a shareholder-sponsored item. However, again, Smucker’s unilaterally counts all abstentions in favor of management (irrespective of the voter’s actual intent).

[3] Further, we observe that Smucker’s embraces the SEC vote-counting standard (that this proposal requests) for director elections, which excludes abstentions, saying they will “have no effect on the vote.” This boosts the vote-count for management-nominated directors.

However, Smucker’s does not follow the SEC standard for shareholder-sponsored proposals. Instead, the company switches to a more stringent method that includes abstentions (again, to the benefit of management).

IN CLOSING

Except to favor management in each instance, these practices are arbitrary, fail to respect voter intent, and run counter to core principles of democracy.

We believe a system that is internally inconsistent harms shareholder best-interest, and instead empowers management at the expense of Smucker’s true owners.

Smucker’s tacitly acknowledges the inequity of these practices when it applies the SEC standard to board elections, but applies more stringent requirements to shareholder-sponsored proposals.

This proposal calls for democratic, fair, and consistent use of the SEC standard across-the-board, while allowing flexibility for the adoption of higher thresholds for extraordinary items.

Therefore, please vote FOR this common-sense proposal that embraces corporate governance best-practices to the benefit of company and owners alike.