

CORPORATE GOVERNANCE GUIDELINES

1. Director Qualifications and Retirement Policy

Director Qualifications

The Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange. The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include members' qualification as independent, as well as consideration of age, diversity, experience and skills in the context of the needs of the Board. A candidate for election to the Board must possess the ability to apply good business judgment and must be in a position to properly exercise his or her duties of loyalty and care in his or her representation of the interests of shareholders. Candidates should also exhibit proven leadership capabilities, high integrity and experience with a high level of responsibilities within their chosen fields, and have the ability to quickly grasp complex principles of business, finance, and international transactions and those regarding the Corporation's industry. In general, candidates will be preferred who hold an established executive level position and have extensive experience in business, finance, law, education, research or government. The Nominating and Governance Committee will consider these criteria for nominees identified by the Committee, by shareholders, or through some other source. When current Board members are considered for nomination for reelection, the Nominating and Governance Committee will also take into consideration their prior Board contributions, performance and meeting attendance records. Nominees for directorship will be recommended by the Nominating and Governance Committee to the Board in accordance with the policies and principles in its charter. The invitation to join the Board should be extended by the Board itself.

The Nominating and Governance Committee will consider qualified candidates for possible nomination that are submitted by a shareholder. Shareholders wishing to make such a submission may do so by sending the following information to the Nominating and Governance Committee (through the Corporation's Secretary: (1) name of the candidate and a brief biographical sketch and resume; (2) contact information for the candidate and a document evidencing the candidate's willingness to serve as a director if elected; and (3) a signed statement as to the submitting shareholder's current status as a shareholder and the number of shares currently held. The Nominating and Governance Committee will conduct a process of making a preliminary assessment of each proposed nominee based upon the resume and biographical information, an indication of the individual's willingness to serve and other relevant information. This information will be evaluated against the criteria set forth above and the specific needs of the Corporation at that time. Based upon a preliminary assessment of the candidate(s), those who appear best suited to meet the needs of the Company may be subject to a background investigation and may be invited to participate in a series of interviews, which are used as a further means of evaluating potential candidates. On the basis of information learned during this process, the Nominating and Governance Committee will determine which nominee(s) to recommend to the Board to submit for election at the next annual meeting. The Governance

Committee will use the same process for evaluating all nominees, regardless of the original source of the nomination.

It is the sense of the Board that a size of five to seven members is about right. However, the Board would be willing to go to a somewhat larger size in order to accommodate the availability of an outstanding candidate.

The Board believes it is appropriate to separate the offices of Chairman and the Chief Executive Officer and to appoint a Non-Executive Chairman who is not part of the management of the Company. The Board will review periodically whether to retain the Non-Executive Chairman position and, as long as the position is retained, will review, at least once per year, who the Non-Executive Chairman will be. As long as there is a Non-Executive Chairman of the Board, the Board will not designate a lead director.

In the event that any director should consider any new or additional association or affiliation, such as directorships or similar positions by whatever title, with public or privately-held commercial enterprises, or should any preexisting association or affiliation substantially alter the nature of its activities or purposes, the director shall notify the Non-Executive Chairman of the Board so that any potential conflict of interest, potential embarrassment to the Corporation or possible inconsistency with the Corporation's policies or values may be identified and assessed. The Non-Executive Chairman of the Board will refer the matter to the Nominating and Governance Committee of the Board for its recommendation to the Board.

The Nominating and Governance Committee in its sole discretion shall have the responsibility for interpretation of qualifications for directors.

Retirement Policy

(a) *Chief Executive Officers of Imation.* A director who is also the Chief Executive Officer of the Corporation shall no longer be qualified to act as a director and his or her term of office shall expire at the time he or she ceases to hold that position; *provided, however,* that in the event the Board, based on a recommendation from the Nominating and Governance Committee, determines that it will be in the best interests of the Corporation for the former Chief Executive Officer to continue as a director, the Board may ask him or her to continue as a director through the completion of any remaining part of his or her current, regular term of office as a director and, in addition to any such partial term, may nominate the former Chief Executive Officer to be a director for a single term of not more than three (3) years.

(b) *Other Inside Directors.* Any director who is an officer of the Corporation, other than the Chief Executive Officer, shall no longer be qualified to act as a director and his or her term of office shall expire on the earliest to occur of: (i) the time of a diminution in his or her duties or responsibilities as an officer unless the Board at its sole discretion determines such officer continues to be qualified to act as a director, (ii) the time he or she ceases to be an employee of the Corporation for any reason, or (iii) on his or her sixty-fifth (65th) birthday.

(c) *Non-Employee Directors.* Any director who is not and has not been an officer of the Corporation (a “Non-Employee Director”) shall not be nominated for re-election as a director at the next annual meeting of shareholders following either (i) fifteen (15) years service as a director, or (ii) the director’s seventieth (70th) birthday. At the time a Non-Employee Director retires from or changes the principal occupation engaged in when initially elected as a director, he or she shall offer to resign from the Board; and the Board at its discretion will determine whether or not to accept that offer (and ask the Director to resign.)

2. Director Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors’ and officers’ liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company’s charter, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Company’s charter.

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. Directors are also expected to attend the Corporation’s Annual Meeting of Shareholders. The Corporation will use its best efforts to schedule the Annual Meeting of Shareholders concurrently with a board meeting in order to facilitate such attendance.

The Non-Executive Chairman will establish the agenda for each Board meeting. At the beginning of the year the Non-Executive Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company’s long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year. The Board will review on a regular basis the Company’s major enterprise risk exposures and the steps management has taken to monitor and control such exposures, including the Company’s risk assessment and risk management policies.

The Non-Employee Directors will meet in executive session at least quarterly.

The Board believes that the management speaks for the Company. The Non-Executive Chairman, if there is one, or if not, a director designated by the outside directors, may speak for the Company in unusual circumstances (i.e. resignation of the CEO.) Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. But it is expected that Board members would do this with the

knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

3. Board Committees

The Board will have at all times an Audit and Finance Committee, a Compensation Committee and a Nominating and Governance Committee. All of the members of these committees will be independent directors under the criteria established by the New York Stock Exchange. Committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee to the Board with consideration of the desires of the individual directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy. No director may serve on more than three public company audit committees or more than six public company boards. Directors on the Audit and Finance Committee should advise the Non-Executive Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company audit committee.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The Chairman of each committee, in consideration with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen).

The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

4. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. If the CEO wishes to have additional Company personnel attendees on a regular basis, this suggestion should be brought to the Board for approval.

5. Director Compensation

The Nominating and Governance Committee will conduct an annual review of director compensation. The form and amount of director compensation will be recommended by the Nominating and Governance Committee to the full Board of Directors in accordance with the policies and principles set forth in its charter. The Nominating and Governance Committee will consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

6. Director Orientation and Continuing Education

All new directors must participate in the Company's Orientation Program, which should be conducted within three months of the meeting at which new directors are elected. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend the Orientation Program.

All new directors must attend a training program for directors in their first year as directors of the Company. All directors who have been on the Board for more than one year are strongly encouraged to attend a training program for directors at least once every two years. The Company will reimburse any director who chooses to attend a training program for directors for the cost of attending such program, including travel and lodging, at the maximum rate of one per year. Such expenses should be submitted to the Company in accordance with the Company's expense reimbursement policies. The attending director should report to the Company as to the effectiveness of the training program.

7. CEO Evaluation and Management Succession.

The Nominating and Governance Committee will oversee an annual review of the CEO's performance, as set forth in its charter. The Compensation Committee will review the Nominating and Governance Committee's report in order to evaluate the CEO's performance and set compensation in light of the CEO's goals and objectives. The Board of Directors will review the Nominating and Governance Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long and short term.

The Nominating and Governance Committee should make an annual report to the Board on succession planning. The succession planning should include policies regarding succession in the event of an emergency or the retirement of the CEO. The entire Board will work with the Nominating and Governance Committee to nominate and evaluate potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. Performance Evaluation

The Board of Directors will conduct a quarterly self-evaluation to determine whether it and its committees are functioning effectively. The Board will take time at the end of each regular quarterly meeting to discuss its performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.