

DUN & BRADSTREET CORP/NW
Form DEF 14A
March 23, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

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The Dun & Bradstreet Corporation

(Name of Registrant as Specified In Its Charter)

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March 23, 2011

Dear Shareholder:

You are cordially invited to attend the 2011 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation on Tuesday, May 3, 2011, at 8:00 a.m. at The Hilton Short Hills, 41 JFK Parkway, Short Hills, New Jersey.

The Notice of Annual Meeting and Proxy Statement accompanying this letter more fully describe the business to be acted upon at the meeting. Our Annual Report on Form 10-K for the year ended December 31, 2010 is also attached.

Pursuant to rules adopted by the U.S. Securities and Exchange Commission we are once again providing to our shareholders access to our proxy materials over the Internet. We continue to believe that this e-proxy process allows us to provide our shareholders with the information they need while lowering printing and mailing costs, reducing the environmental impact of our annual meeting and more efficiently complying with our obligations under the securities laws. On or about March 23, 2011, we mailed to our beneficial shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2011 Proxy Statement and Annual Report and vote online. Registered shareholders will continue to be furnished a printed copy of the Proxy Statement and Annual Report by mail.

Whether or not you plan to attend the meeting, your vote is important. In addition to voting in person, shareholders of record may vote via a toll-free telephone number or over the Internet. Shareholders who received a paper copy of the Proxy Statement and Annual Report by mail may also vote by completing, signing and mailing the enclosed proxy card promptly in the return envelope provided. If your shares are held in the name of a bank, broker or other holder of record, check your proxy card to see which of these options is available to you.

On behalf of our Board of Directors, thank you for your continued support of D&B.

Sincerely,

Sara Mathew

Chairman and Chief Executive Officer

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Notice of 2011 Annual Meeting of Shareholders

The 2011 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation will be held on Tuesday, May 3, 2011, at 8:00 a.m. at The Hilton Short Hills, 41 JFK Parkway, Short Hills, New Jersey. The purpose of the meeting is to:

1. Elect two Class II directors for a one-year term if Proposal No. 7 (which would eliminate the classification of the Board of Directors in 2012) is approved, or to elect two Class II directors for a three-year term if Proposal No. 7 is not approved;
2. Ratify the appointment of our independent registered public accounting firm for 2011;
3. Re-approve the Company's Covered Employee Incentive Plan, as amended;
4. Hold a shareholder advisory vote on executive compensation (Say on Pay);
5. Hold a shareholder advisory vote on the frequency of Say on Pay voting;
6. Approve the adoption of amendments to our charter to reduce each supermajority shareholder voting requirement to a simple majority requirement;
7. Approve the adoption of amendments to our charter to reorganize the Board of Directors into one class with each director subject to election each year, beginning in 2012; and
8. Transact such other business as may properly come before the meeting. We know of no other business to be brought before the meeting at this time.

Only shareholders of record at the close of business on March 7, 2011, will be entitled to vote at the meeting.

By Order of the Board of Directors,

Jeffrey S. Hurwitz

Senior Vice President, General Counsel and Corporate Secretary

Dated: March 23, 2011

YOUR VOTE IS IMPORTANT

To assure your representation at the Annual Meeting, you are requested to vote your shares as promptly as possible. In addition to voting in person, shareholders of record may vote via a toll-free telephone number or over the Internet as instructed in these materials. If you received the proxy statement by mail, you may also vote by completing, signing and mailing the enclosed proxy card promptly in the return envelope provided. Please note that if your shares are held by a broker, bank or other holder of record and you wish to vote at the meeting, you must obtain a legal proxy from that record holder.

Please note that, with the exception of Proposal Nos. 2, 6 and 7, brokers may not vote your shares in the absence of your specific instructions as to how to vote. Please return your proxy card so your vote can be counted.

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PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of The Dun & Bradstreet Corporation is soliciting your proxy for use at the Annual Meeting of Shareholders to be held on May 3, 2011. On or about March 23, 2011, we mailed to our beneficial holders a Notice of Internet Availability of Proxy Materials containing instructions on how to access the proxy materials on the Internet, and we mailed to our registered shareholders a printed copy of the proxy materials. Our principal executive offices are located at 103 JFK Parkway, Short Hills, New Jersey 07078-2708, and our main telephone number is 973-921-5500. D&B is listed on the New York Stock Exchange, or NYSE, with the ticker symbol DNB.

Notice of Internet Availability of Proxy Materials

In accordance with the notice and access rule adopted by the U.S. Securities and Exchange Commission, or SEC, we are making the proxy materials available to all of our shareholders on the Internet and our beneficial holders will receive a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials and how to vote on the Internet and by telephone. We are mailing to our registered shareholders a printed copy of our proxy materials. If you received a Notice of Internet Availability of Proxy Materials and would like to receive a printed copy of our proxy materials, free of charge, you should follow the instructions for requesting such materials included in the Notice.

Annual Meeting Admission

To attend the Annual Meeting, you will need an admission ticket or other evidence of stock ownership as of the record date, which is March 7, 2011. Only shareholders as of the record date will be entitled to attend the meeting.

Registered shareholders. If you are a registered shareholder and you plan to attend the Annual Meeting in person, please bring your admission ticket attached to the proxy card or other evidence of stock ownership as of the record date.

Beneficial holders. If your shares are held in the name of a bank, broker or other holder of record (in street name) and you plan to attend the Annual Meeting in person, please bring your Notice of Internet Availability of Proxy Materials or other evidence of stock ownership as of the record date. You may also obtain an admission ticket in advance of the meeting by sending a written request, along with evidence of stock ownership as of the record date, such as a bank or brokerage account statement, to our Corporate Secretary at the address of our principal executive offices noted above. Please make such requests at least two weeks in advance of the Annual Meeting so that we may be able to accommodate your request.

Who Can Vote

Only shareholders of record at the close of business on March 7, 2011 are eligible to vote at the meeting. As of the close of business on that date, there were 49,579,432 shares of our common stock outstanding.

How to Vote

In addition to voting in person at the meeting, shareholders of record can vote by proxy by calling a toll-free telephone number, by using the Internet or, for shareholders who received a printed copy of the proxy materials, by mailing a completed and signed proxy card. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been recorded properly. Shareholders voting by telephone or the Internet should understand that there may be costs associated with voting in these manners, such as usage charges from telephone companies and Internet service providers, which must be borne by the shareholder.

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A proxy that is signed and returned by a shareholder of record without specifications marked in the instruction boxes will be voted in accordance with the recommendations of the Board of Directors, as outlined in this proxy statement. If any other proposals are properly brought before the meeting and submitted to a vote, all proxies will be voted on those other proposals in accordance with the judgment of the persons voting the proxies.

Specific voting instructions are set forth below and can also be found on the Notice of Internet Availability of Proxy Materials and on the proxy card. If you received more than one Notice or proxy card, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions included in each Notice and proxy card to ensure that all of your shares are voted.

Registered Shareholders

Vote by Telephone. Registered shareholders can vote by calling toll-free at 800-690-6903. Voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

Vote on the Internet. Registered shareholders can vote on the Internet at the website www.proxyvote.com. As with telephone voting, you can confirm that your instructions have been properly recorded.

Vote by Mail. Registered shareholders can vote by mail by simply indicating your response on your proxy card, dating and signing it, and returning your proxy card in the postage-paid envelope provided. If the envelope is missing, please mail your completed proxy card to The Dun & Bradstreet Corporation, c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717.

Beneficial Holders

If your shares are held in street name, the Notice of Internet Availability of Proxy Materials mailed to you from the organization that is the record owner of your shares contains instructions on how to vote your shares. Beneficial holders that received a printed copy of the proxy materials may complete and mail the proxy card or may vote by telephone or over the Internet as instructed in the proxy card by the organization that is the record owner of your shares. For a beneficial holder to vote in person at the Annual Meeting, you must obtain a legal proxy from the record owner.

Revocation of Proxies

A shareholder of record may revoke a proxy at any time before the vote is taken at the Annual Meeting by sending written notice of the revocation to our Corporate Secretary at The Dun & Bradstreet Corporation, 103 JFK Parkway, Short Hills, New Jersey 07078-2708, by submitting another proxy that is properly signed and bears a later date, or by voting in person at the meeting. All properly executed proxies not revoked will be voted at the meeting in accordance with their instructions.

Voting Shares in the D&B Plans

If you are a current or former employee who currently holds D&B shares in your name in our Employee Stock Purchase Plan, or ESPP, or in the D&B Common Stock Fund of our 401(k) Plan or the Moody's Corporation Profit Participation Plan, referred to as the PPP, you are entitled to give voting instructions for the shares held in your account. If you receive a printed copy of the proxy materials by mail, you will receive only one proxy card for all of the D&B shares you hold in the ESPP, 401(k) Plan and PPP. Your proxy card will serve as a voting instruction card for the plans' trustees. However, most active employees who have shares in these plans will receive an e-mail containing instructions on how to access our proxy materials and how to vote such shares on the Internet.

For the 401(k) Plan or the PPP, if you do not vote your shares or specify your voting instructions on your proxy card, the applicable plan's trustee will vote your shares in the same proportion as the shares for which voting instructions have been received from other participants of the 401(k) Plan and PPP, except as otherwise

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required by law. For the ESPP, the plan's trustee will only submit voting instructions for the shares for which voting instructions have been received. To allow sufficient time for voting by the trustees of the plans, your voting instructions must be received by the applicable trustee by April 28, 2011.

List of Shareholders

The names of registered shareholders of record entitled to vote at the Annual Meeting will be available for inspection at the Annual Meeting and, for ten days prior to the meeting, at the office of our Corporate Secretary at The Dun & Bradstreet Corporation, 103 JFK Parkway, Short Hills, New Jersey 07078-2708.

Householding Information

We have adopted a procedure approved by the SEC called "householding." Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Proxy Statement and Annual Report, unless one or more of the shareholders at that address notifies us that they wish to continue receiving individual copies. We believe this procedure provides greater convenience to our shareholders and saves money by reducing our printing and mailing costs and fees.

If you and other shareholders of record with whom you share an address and last name currently receive multiple copies of our Proxy Statement and Annual Report and would like to participate in our householding program, please contact Broadridge by calling toll-free at 800-542-1061, or by writing to Broadridge Financial Solutions, Inc., Householding Department, 51 Mercedes Way, Edgewood, New York 11717. Alternatively, if you participate in householding and wish to revoke your consent and receive separate copies of our Proxy Statement and Annual Report, please contact Broadridge as described above.

A number of brokerage firms have instituted householding. If you hold your shares in street name, please contact your bank, broker or other holder of record to request information about householding.

Proxy Solicitation

Our directors, officers and employees may solicit proxies on our behalf by communicating with shareholders personally or by telephone, facsimile, e-mail or mail. We have also retained the firm of Morrow & Co., LLC, 470 West Ave., Stamford, Connecticut 06902, to assist in the solicitation of proxies for a fee estimated at \$8,500 plus expenses. We will pay all expenses related to such solicitations of proxies. D&B and Morrow & Co. will request banks and brokers to solicit proxies from their customers, where appropriate, and will reimburse them for reasonable out-of-pocket expenses.

Quorum and Voting Requirements

Our bylaws provide that a majority of the shares issued, outstanding and entitled to vote, whether present in person or represented by proxy, constitute a quorum at meetings of shareholders. Abstentions and broker "non-votes" are counted for purposes of establishing a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker has not received instructions from the beneficial owner and does not have discretionary voting power for that particular matter. Brokers are permitted by the NYSE to vote shares without instructions from beneficial owners on routine matters, which includes only Proposal No. 2 (ratification of the appointment of our independent registered public accounting firm for 2011), Proposal No. 6 (adoption of amendments to our charter to reduce each supermajority shareholder voting requirement to a simple majority requirement) and Proposal No. 7 (adoption of amendments to our charter to reorganize the Board of Directors into one class with each director subject to election each year, beginning in 2012), each as discussed below.

This means that for all proposals except Proposal Nos. 2, 6, and 7, brokers may not vote your shares in the absence of your specific instructions as to how to vote. Please return your proxy card so your vote can be counted.

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Election of directors (Proposal No. 1) shall be determined by a majority of the voting power present in person or represented by proxy and entitled to vote on the matter. *For purposes of this proposal, a majority of the voting power present means that the number of shares voted for a director must exceed the number of shares voted against that director.* As a result, shares present in person at the meeting that are not voted for a nominee, shares present by proxy for which the shareholder has abstained from voting for a nominee and shares not voted for a nominee as a result of broker non-votes will not be counted as voting for or against that nominee's achievement of a majority. If a director is not elected, the director shall offer to tender his or her resignation to the Board. The Board Affairs Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Board's decision.

Ratification of the appointment of the independent registered public accounting firm (Proposal No. 2), re-approval of The Dun & Bradstreet Corporation Covered Employee Incentive Plan, as amended (Proposal No. 3) and approval of the Company's overall executive compensation programs, policies and procedures (Proposal No. 4) shall each be determined by the affirmative vote of the holders of a majority of the voting power present in person or represented by proxy at the meeting and entitled to vote on the applicable matter. As a result, shares present in person at the meeting that are not voted for any such matter, shares present by proxy for which the shareholder has abstained from voting for any such matter and broker non-votes, if any, with respect to any such matter will not be counted toward each such matter's achievement of a majority.

With respect to the advisory vote on the frequency of Say on Pay voting (Proposal No. 5), the alternative receiving the greatest number of votes every year, every two years or every three years will be considered the frequency recommended by shareholders. As a result, shares present in person at the meeting that are not voted, shares present by proxy for which the shareholder has abstained from voting and broker non-votes, if any, will have no effect on the outcome of this matter.

Approval of the adoption of amendments to our charter to reduce each supermajority shareholder voting requirement to a simple majority requirement (Proposal No. 6), and approval of the adoption of amendments to our charter to reorganize the Board of Directors into one class with each director subject to election each year beginning in 2012 (Proposal No. 7) shall be determined by the affirmative vote of the holders of at least 80% in voting power of all the shares of the Company entitled to vote generally in the election of directors, voting together as a single class. As a result, shares present in person at the meeting that are not voted for any such matter and shares present by proxy for which the shareholder has abstained from voting for any such matter will not be counted toward each such matter's achievement of the required 80% affirmative vote and will have the same effect as votes against the proposal.

Shareholder Account Maintenance

Our transfer agent is BNY Mellon Shareowner Services, or BNY Mellon. All communications concerning accounts of registered shareholders, including address changes, name changes, inquiries as to requirements to transfer shares of our common stock and similar issues, can be handled by contacting BNY Mellon using one of the following methods:

toll-free at 866-283-6792 for U.S. and Canada holders (International holders dial 201-680-6578; hearing-impaired holders dial 800-231-5469);

at BNY Mellon's website www.bnymellon.com/shareowner/isd; or

by writing to BNY Mellon Shareowner Services, P.O. Box 358015, Pittsburgh, Pennsylvania 15252.

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CORPORATE GOVERNANCE

Board of Directors

Our Board of Directors consists of nine members, all of whom are independent except for our Chairman of the Board and Chief Executive Officer (Chairman and CEO), Sara Mathew. The objective of our Board of Directors is to conduct our business activities so as to enhance shareholder value. Our Board of Directors believes that good corporate governance practices support successful business performance and thus the creation of shareholder value. To institutionalize the Board's view of governance, our Board has adopted Corporate Governance Principles. These principles, which were last reviewed in September 2010 and revised in December 2010, cover Board composition and performance (e.g., director independence, qualifications of directors, outside directorships and committee service, selection of director nominees, director orientation and continuing education), the relationship of the Board with senior management (e.g., attendance of non-directors at Board meetings and Board access to senior leadership), Board meetings, Board committee review and management review.

The Board has four standing committees: the Audit Committee, the Board Affairs Committee, the Compensation & Benefits Committee and the Innovation & Technology Committee. Each Board committee has its own charter setting forth its purpose and responsibilities, including, where applicable, those required by the NYSE listing standards. Each of the committees and their charters are described in more detail below.

Our Corporate Governance Principles and the charters of our Audit Committee, Board Affairs Committee, Compensation & Benefits Committee and Innovation & Technology Committee are available in the Investor Relations section of our website (<http://investor.dnb.com>) and are also available in print, without charge, to any shareholder upon request to our Corporate Secretary at The Dun & Bradstreet Corporation, 103 JFK Parkway, Short Hills, New Jersey 07078-2708.

Leadership Structure of the Board. Our Board is currently led by our Chairman and CEO, Sara Mathew. D&B's Board of Directors does not have a policy on whether the roles of Chairman of the Board and CEO should be separate; however, these positions have historically been held by the same person. The Board Affairs Committee of the Board of Directors regularly evaluates governance trends and issues and reports its conclusions to the Board. Specifically, it evaluated the roles of Chairman and CEO in December 2010 and concluded that having a single Chairman and CEO is appropriate for our Company.

Our Board believes that its leadership structure is effective in providing independent oversight of management, including with respect to one of the Board's primary functions—enhancing shareholder value. The Chairman of the Board has neither a greater nor lesser vote on matters considered by the Board than any other director. All directors of our Company are bound by fiduciary obligations, imposed by law, to serve the best interests of our shareholders. Additionally, our Board believes that there are certain efficiencies inherent in having the CEO (who is the person responsible for the day-to-day operations and strategy of the Company) chair the Board of Directors, such as ensuring efficiency and clarity in decision making and ensuring key business issues are brought to the Board's attention.

Our Board of Directors acknowledges that independent Board leadership is important. Accordingly, in August 2010, the Board revised the Company's Corporate Governance Principles to provide for an independent Lead Director to be designated by the Board from time to time. At that time, the Board appointed Christopher J. Coughlin as our first Lead Director. Prior to August 2010, our Corporate Governance Principles provided for an independent Presiding Director, and Michael R. Quinlan served in such role from October 2002 until August 2010.

As with the Presiding Director, the Lead Director (i) presides over the non-management executive sessions of the Board of Directors, (ii) collects feedback from the Board meetings and provides it to the CEO, (iii) may call a meeting of the non-management directors at any time, and (iv) performs such other responsibilities as the

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Board may from time to time delegate to assist the Board in performing its responsibilities. However, unlike the Presiding Director whose term was not defined, the Lead Director is appointed to a term of three years, with no limit on the number of terms the Lead Director may serve, either in succession or in the aggregate. We believe a term of three years will provide an opportunity, if appropriate in the discretion of the Board, for rotation of the Lead Director position among the directors. More information relating to Mr. Coughlin's role as Lead Director can be found under the Board Meetings section of this proxy statement.

In addition, our Board and committee composition promotes independence and protects against too much power being placed with the Chairman and CEO. All of the Board committees are comprised entirely of independent directors as determined under criteria established by the SEC and NYSE for the applicable committees and as set forth in our Corporate Governance Principles. As a result of this structure, independent directors oversee such critical matters as the integrity of the Company's financial statements, the compensation of executive management (including the CEO), the direction of the Company's innovation and technology strategy, the selection and evaluation of directors and the development and implementation of the Company's corporate governance policies and structures. In addition, eight of the nine members of our Board are independent under the foregoing standards. Our Board believes that its leadership structure enhances the Board's ability to provide insight and direction to management on important strategic initiatives and, at the same time, ensures that the appropriate level of independent oversight is applied to all Board decisions.

The Board's Role in Risk Oversight. The Board provides oversight of risk by directly reviewing strategic risks, as noted below, by delegating matters to and using the expertise of certain of its committees and by receiving reports from such committees. Specifically, the Board has delegated to the Audit Committee, the Innovation & Technology Committee, the Compensation & Benefits Committee and the Board Affairs Committee responsibilities related to risk oversight as described herein.

The Audit Committee is charged with discussing with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. In addition, the Audit Committee oversees the Company's enterprise risk management annual process. As part of the enterprise risk management annual process to identify and prioritize risks to the Company, management uses the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and segregates risks into four categories based on their nature and/or potential significance: strategic risk, financial risk, operational risk and compliance risk. As noted above, strategic risks are discussed with and managed by the entire Board of Directors. The remaining categories of risk are overseen by the Audit Committee, the I&TC, the C&BC or the Board Affairs Committee, depending upon the nature of the risk.

The Audit Committee reviews with the auditors and management the Company's enterprise risk assessment process and risk categories. The Audit Committee reviews with management the risk assessment process, the various enterprise risks, the prioritization of the identified risks and management's mitigation plans. With respect to particular members of management:

the Leader of Internal Audit and Enterprise Risk Management reports both to the Chief Financial Officer and the Chair of the Audit Committee. The Audit Committee reviews and discusses with the Leader of Internal Audit and Enterprise Risk Management the Company's internal system of audit and financial controls, internal audit plans, and the periodic report of audit activities.

the Principal Accounting Officer discusses financial controls with the Audit Committee in his capacity as leader of our Sarbanes-Oxley controls.

the Chief Compliance Officer reports to the General Counsel and provides updates (at least quarterly) to the Audit Committee on compliance risks and controls.

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In addition, at least quarterly, the Audit Committee meets privately with the Leader of Internal Audit and Enterprise Risk Management, the Principal Accounting Officer, Chief Financial Officer and the Chief Compliance Officer. Finally, on a quarterly basis management reviews its progress on the testing and mitigation of any identified risks with the Audit Committee.

The Innovation & Technology Committee reviews with management the commercial risks of the Company's technology infrastructure and platforms, including marketplace and financial risk. For example, management reviews with the I&TC the progress of the implementation of our current strategic technology investment, which we announced in February 2010 (our Strategic Technology Investment). Upon completion of this initiative, we expect to improve data quality and timeliness, increase the speed of product innovation and significantly reduce technology costs.

The Compensation & Benefits Committee reviews with management the compensation policies and practices of the Company, including those applicable to non-executive officers, to determine the extent to which risks arising from the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company. The compensation-related risk analysis considers the major components of compensation at the Company (base salary, cash incentives and equity-based compensation) and how each component may impact risk-taking activity by employees, including how the policies may engender activities that could impact the Company's brand and financial results. Based on this analysis, the C&BC agrees with management that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

Periodically, the Board Affairs Committee reviews the Company's policies and programs related to (i) political actions and legislative affairs which could impact our business, (ii) employee health and safety requirements, including the number and nature of claims made against the Company, and (iii) equal employment opportunity requirements, including filing requirements and monitoring the number of claims made.

Each of the Audit Committee, I&TC, C&BC and Board Affairs Committee periodically reports to the full Board on any such matters under review, as appropriate.

Independence of the Board and Committees

Our Corporate Governance Principles require that at least two-thirds of the Board meet the criteria for independence established by the NYSE and applicable laws. After considering all relevant facts and circumstances, our Board has determined that each of its members, except as noted above, Sara Mathew, our Chairman and CEO, is independent under the NYSE listing standards and applicable laws. Our Board has also determined that each member of the Audit Committee, the Board Affairs Committee, the Compensation & Benefits Committee and the Innovation & Technology Committee is independent under the NYSE listing standards and applicable laws (we note that I&TC member independence is not technically required because it is not a NYSE required committee).

Pursuant to NYSE rules, a director is not independent if the director is, or has been within the last three years, an employee of the Company. In addition, for a director to be considered independent, the Board must affirmatively determine that the director has no material relationship with us (either directly or indirectly, such as a partner, shareholder or officer of an organization that has a relationship with us). Our Corporate Governance Principles set forth categorical standards to assist the Board in determining what constitutes a material relationship with us. Generally, under these categorical standards, the following relationships are deemed *not* to be material:

the director is the beneficial owner of less than five percent of our outstanding equity interests;

the director is an officer or other employee of an entity, or his or her immediate family member is an executive officer (as defined in Section 303A.02 of the NYSE listing standards) of an entity that, in either case, has received payments from us for property or services or has made payments to us for

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property or services and the amount of such payments in each of the last three fiscal years is less than the greater of \$1 million, or 2% of the entity's consolidated gross revenues (as such term is construed by the NYSE for purposes of Section 303A.02(b)(v));

the director is a director or officer of an entity that is indebted to us, or to which we are indebted, and the total amount of indebtedness is less than 2% of the total consolidated assets of such entity as of the end of the previous fiscal year;

the director, or any entity in which the director is an equity owner, director, officer or other employee, has obtained products or services from us on terms generally available to our customers for such products or services; or

the director is an officer, trustee, director or is otherwise affiliated with a tax-exempt organization and we made, within the preceding three fiscal years, contributions in any fiscal year that were less than the greater of (i) \$1 million, or (ii) 2% of the tax-exempt organization's consolidated gross revenues (as such term is construed by the NYSE for purposes of Section 303A.02(b)(v)), based upon the tax-exempt organization's latest publicly available information.

The Board retains the sole right to interpret and apply the foregoing standards in determining the materiality of any relationship. Also, in determining the independence of our directors, the Board considers the tenure of each director.

Board Meetings

Our Board held 11 meetings in 2010, with no director attending fewer than 75% of the aggregate number of meetings of the Board and of the Committees of the Board on which he or she served.

The Chairman of the Board drafts the agenda for each Board meeting and distributes it to the Board in advance of each meeting. Each Board member is encouraged to suggest items for inclusion on the agenda.

Information and data that are important to the Board's understanding of the business and of scheduled agenda items are distributed sufficiently in advance of each Board meeting to give the directors a reasonable opportunity for review. Generally, directors receive Board materials no fewer than three days in advance of a meeting.

Our non-management directors meet in regularly scheduled executive sessions without members of management. Our Lead Director, Christopher J. Coughlin, presides over executive sessions of the Board. In the event of Mr. Coughlin's absence from any executive session, the Chairman of the Board will designate a substitute Lead Director. Mr. Coughlin has served as the Lead Director since August 2010. Prior to that time Michael R. Quinlan served as our independent Presiding Director from October 2002 until August 2010 and in such capacity, Mr. Quinlan presided over executive sessions of the Board. The non-management directors held five executive sessions of the Board in 2010. More information relating to Mr. Coughlin's responsibilities as Lead Director can be found under the Leadership Structure of the Board section of this proxy statement.

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The table below provides the current membership information and number of meetings for each of the Innovation & Technology Committee, Audit Committee, Board Affairs Committee and Compensation & Benefits Committee.

Name	Innovation & Technology	Audit	Board Affairs	Compensation & Benefits
Austin A. Adams	X	X		
John W. Alden			X*	X
Christopher J. Coughlin		X		X
James N. Fernandez (1)		X*	X	
Sandra E. Peterson	X*		X	
Michael R. Quinlan			X	X*
Naomi O. Seligman	X	X		
Michael J. Winkler	X			X
Committee Meetings held in 2010				