

VALASSIS COMMUNICATIONS INC
Form DEF 14A
April 03, 2013

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the registrant Filed by a party other than the registrant

Check the appropriate box:

- Preliminary proxy statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive proxy statement
- Definitive additional materials
- Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

VALASSIS COMMUNICATIONS, INC.

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

Title of each class of securities to which transaction applies:

(1)

Aggregate number of securities to which transaction applies:

(2)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(3)

Proposed maximum aggregate value of transaction:

(4)

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount previously paid:

(1)

Form, schedule or registration statement no.:

(2)

Filing party:

(3)

Date filed:

(4)

VALASSIS COMMUNICATIONS, INC.

19975 VICTOR PARKWAY

LIVONIA, MI 48152

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

AND PROXY STATEMENT

TO BE HELD MAY 3, 2013

It is my pleasure to invite you to this year's annual meeting of stockholders of Valassis Communications, Inc., which will be held at Valassis Corporate Headquarters, 19975 Victor Parkway, Livonia, Michigan 48152 on the 3rd day of May, 2013, at 9:00 a.m. (Eastern Daylight Time). The purpose of the annual meeting is to:

(1) elect nine directors to our Board of Directors to hold office until our next annual meeting of stockholders or until their respective successors are duly elected and qualified;

(2) approve the Amended and Restated Valassis Communications, Inc. 2008 Omnibus Incentive Compensation Plan;

(3) approve the Amended and Restated Valassis Communications, Inc. 2008 Senior Executives Bonus Plan;

(4) approve, on an advisory basis, the compensation of our named executive officers;

(5) ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013;

(6) approve any adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies in favor of any or all of the foregoing proposals if there are not sufficient votes for those proposals; and

(7) consider any other appropriate matters as may properly come before the annual meeting.

Our Board of Directors has fixed the close of business on March 4, 2013 as the record date for the determination of the stockholders entitled to notice of, and to vote at, the annual meeting. Each share of our common stock is entitled to one vote on all matters presented at the annual meeting.

ALL HOLDERS OF OUR COMMON STOCK (WHETHER THEY EXPECT TO ATTEND THE ANNUAL MEETING OR NOT) ARE REQUESTED TO COMPLETE, SIGN, DATE AND RETURN PROMPTLY THE PROXY CARD ENCLOSED WITH THIS NOTICE OR VOTE BY TELEPHONE OR ON THE INTERNET ACCORDING TO THE INSTRUCTIONS ON THE PROXY CARD.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS' MEETING TO BE HELD ON MAY 3, 2013:

The proxy statement and our 2012 annual report are available on our website at www.valassis.com under "Investors/SEC Filings" (with respect to the proxy statement) or "Investors/Annual Reports" (with respect to the 2012 annual report).

By Order of the Board of Directors,

TODD WISELEY

Secretary

April 3, 2013

TABLE OF CONTENTS

	Page
<u>INTRODUCTION</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>What is the purpose of the annual meeting?</u>	1
<u>Who is entitled to vote at the meeting?</u>	1
<u>What are the voting rights of the holders of our common stock?</u>	1
<u>Who can attend the annual meeting?</u>	1
<u>What constitutes a quorum?</u>	1
<u>What is broker “discretionary” voting?</u>	2
<u>How do I vote?</u>	2
<u>Can I change my vote after I return my proxy card?</u>	2
<u>What are our Board of Directors’ recommendations?</u>	3
<u>What vote is required to approve each item?</u>	3
<u>DIRECTORS AND EXECUTIVE OFFICERS</u>	5
<u>ELECTION OF DIRECTORS (PROPOSAL 1)</u>	5
<u>Directors</u>	6
<u>Additional Executive Officers</u>	8
<u>OUR CORPORATE GOVERNANCE PRINCIPLES</u>	9
<u>Policies and Procedures</u>	9
<u>Determination of Director Independence</u>	10
<u>Board Leadership Structure</u>	10
<u>The Board’s Role in Risk Oversight</u>	11
<u>Attendance</u>	11
<u>COMMITTEES OF THE BOARD</u>	12
<u>COMPENSATION/STOCK OPTION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	14
<u>NON-MANAGEMENT DIRECTOR COMPENSATION FOR FISCAL YEAR 2012</u>	14
<u>EXECUTIVE COMPENSATION/COMPENSATION DISCUSSION AND ANALYSIS</u>	17
<u>2012 Executive Summary</u>	17
<u>2012 Say-on-Pay Vote</u>	18
<u>Named Executive Officer Developments</u>	18
<u>Compensation Philosophy</u>	18
<u>Compensation-Setting Process</u>	18
<u>Compensation Elements</u>	20
<u>Cash Compensation</u>	20
<u>Equity Compensation</u>	23
<u>Voluntary Stock Ownership Guidelines</u>	25
<u>Retirement Plans</u>	25
<u>Non-Compete Provisions</u>	25
<u>Perquisites and Other Personal Benefits</u>	26
<u>Change in Control</u>	26
<u>Income Tax and Accounting Considerations</u>	26
<u>COMPENSATION/STOCK OPTION COMMITTEE REPORT</u>	27
<u>SUMMARY COMPENSATION TABLE FOR FISCAL YEAR 2012</u>	28
<u>GRANTS OF PLAN-BASED AWARDS IN 2012 FISCAL YEAR</u>	30
<u>OUTSTANDING EQUITY AWARDS AT 2012 FISCAL YEAR-END</u>	34
<u>STOCK OPTION EXERCISES AND STOCK VESTED IN FISCAL YEAR 2012</u>	37
<u>PENSION BENEFITS</u>	37
<u>POTENTIAL PAYMENTS AND BENEFITS UPON TERMINATION</u>	38

<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>44</u>
<u>SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT</u>	<u>45</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>46</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS</u>	<u>46</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>47</u>
<u>APPROVAL OF THE AMENDED AND RESTATED VALASSIS COMMUNICATIONS, INC. 2008 OMNIBUS INCENTIVE COMPENSATION PLAN (PROPOSAL 2)</u>	<u>48</u>
<u>APPROVAL OF THE AMENDED AND RESTATED VALASSIS COMMUNICATIONS, INC. 2008 SENIOR EXECUTIVES BONUS PLAN (PROPOSAL 3)</u>	<u>55</u>
<u>ADVISORY VOTE APPROVING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (PROPOSAL 4)</u>	<u>58</u>
<u>RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PROPOSAL 5)</u>	<u>60</u>
<u>Independent Registered Public Accounting Firm Fees</u>	<u>60</u>
<u>APPROVAL OF ANY ADJOURNMENT OF ANNUAL MEETING (PROPOSAL 6)</u>	<u>61</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>62</u>
<u>GENERAL</u>	<u>63</u>
<u>Other Matters</u>	<u>63</u>
<u>Stockholder Communications</u>	<u>63</u>
<u>Solicitation of Proxies</u>	<u>63</u>
<u>Stockholder Proposals</u>	<u>63</u>
<u>EXHIBIT A—DIRECTOR INDEPENDENCE CRITERIA</u>	<u>A-1</u>
<u>EXHIBIT B—CRITERIA FOR CONSIDERING POTENTIAL NOMINEES TO THE BOARD OF DIRECTORS</u>	<u>B-1</u>
<u>EXHIBIT C—AMENDED AND RESTATED VALASSIS COMMUNICATIONS, INC. 2008 OMNIBUS INCENTIVE COMPENSATION PLAN</u>	<u>C-1</u>
<u>EXHIBIT D—AMENDED AND RESTATED VALASSIS COMMUNICATIONS, INC. 2008 SENIOR EXECUTIVES BONUS PLAN</u>	<u>D-1</u>

VALASSIS COMMUNICATIONS, INC.
PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 3, 2013
INTRODUCTION

This proxy statement is being furnished to stockholders of record of Valassis Communications, Inc. (“Valassis,” the “Company,” “we,” “us” or “our”) as of March 4, 2013 in connection with the solicitation by our Board of Directors of proxies for the 2013 annual meeting of stockholders to be held at Valassis Corporate Headquarters, 19975 Victor Parkway, Livonia, Michigan 48152 on May 3, 2013 at 9:00 a.m. (Eastern Daylight Time), or at any and all adjournments thereof, for the purposes stated in the notice of annual meeting. The approximate date of mailing of this proxy statement and the enclosed form of proxy is April 3, 2013.

QUESTIONS AND ANSWERS
ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At our annual meeting, stockholders will act upon the matters outlined in the notice of annual meeting on the cover page of this proxy statement, including (i) the election of directors, (ii) the approval of the Amended and Restated Valassis Communications, Inc. 2008 Omnibus Incentive Compensation Plan, or the Omnibus Plan, (iii) the approval of the Amended and Restated Valassis Communications, Inc. 2008 Senior Executives Bonus Plan, or the Bonus Plan, (iv) the approval, on an advisory basis, of the compensation of our named executive officers and (v) the ratification of our independent registered public accounting firm.

Who is entitled to vote at the meeting?

Only stockholders of record at the close of business on March 4, 2013 are entitled to receive notice of, and to participate in, the annual meeting. If you were a stockholder of record on that date, you will be entitled to vote all of the shares that you held on that date at the meeting, or at any postponements or adjournments of the meeting.

What are the voting rights of the holders of our common stock?

Each share of our common stock, par value \$.01 per share, outstanding on March 4, 2013 will be entitled to one vote on each matter considered at the annual meeting.

Who can attend the annual meeting?

All stockholders of our common stock as of March 4, 2013, or their duly appointed proxies, may attend the annual meeting, and each may be accompanied by one guest. Registration will begin at 8:00 a.m., and seating will begin at 8:30 a.m. If you attend, please note that you may be asked to present valid picture identification, such as a driver’s license or passport.

Please also note that if you hold your shares in “street name” (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of March 4, 2013 and check in at the registration desk at the meeting.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of our common stock, issued and outstanding as of March 4, 2013, will constitute a quorum. As of March 4, 2013, we had 39,160,735 shares of our common stock outstanding. Therefore, the presence of the holders of our common stock representing at least 19,580,368 votes will be required to establish a quorum.

What is broker “discretionary” voting?

Under the rules of the New York Stock Exchange, or the NYSE, if you hold your shares through a broker, your broker is permitted to vote your shares on “discretionary” items, which includes ratification of our independent registered public accounting firm (Proposal 5) and the approval of any adjournment of the annual meeting (Proposal 6), in its discretion if it has transmitted the proxy materials to you and has not received voting instructions from you on how to vote your shares before the deadline set by your broker. Under the NYSE rules, the election of directors (Proposal 1), the approval of the Omnibus Plan (Proposal 2), the approval of the Bonus Plan (Proposal 3) and the approval, on an advisory basis, of the compensation of our named executive officers (Proposal 4) are “non-discretionary” items. Therefore, your broker does not have discretionary authority to vote on Proposals 1, 2, 3 and 4, so it is very important that you instruct your broker how to vote on these proposals. A broker non-vote occurs where your broker has not received instructions from you as to how to vote your shares on a proposal and does not have discretionary authority to vote on the proposal.

How do I vote?

By Mail

Be sure to complete, sign and date the proxy card and return it to us in the prepaid envelope. If you are a stockholder and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

By Telephone or on the Internet

Our telephone and Internet voting procedures for stockholders are designed to authenticate your identity, to allow you to give your voting instructions and to confirm that those instructions have been properly recorded.

You can vote by calling the toll-free telephone number on your proxy card. Please have your proxy card in hand when you call.

The website for Internet voting is www.investorvote.com/VCI. Please have your proxy card handy when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded.

Telephone and Internet voting facilities for stockholders will be available 24 hours a day, 7 days a week until 12:00 a.m. (Eastern Standard Time) on May 3, 2013. If you vote by telephone or on the Internet, you do not have to return your proxy card.

In Person at the Annual Meeting

All stockholders may vote in person at the annual meeting. You may also be represented by another person at the annual meeting by executing a proper proxy designating that person. “Street name” stockholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

Our Board of Directors has appointed Computershare Investor Services, our transfer agent and registrar, to serve as our Inspector of Election and tabulate and certify the votes at the annual meeting.

Can I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may revoke or change your vote at any time before the proxy is exercised by filing with our Corporate Secretary either a notice of revocation or a duly executed proxy bearing a later date or by voting another proxy by telephone or on the Internet at a later date. The powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

What are our Board of Directors' recommendations?

Unless you give other instructions on your proxy card, or by telephone or on the Internet, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of our Board of Directors. Our Board of Directors' recommendation is set forth together with the description of each item in this proxy statement. In summary, our Board of Directors recommends a vote:

• for election of the nominated slate of directors (see Proposal 1);

• for approval of the Omnibus Plan (see Proposal 2);

• for the approval of the Bonus Plan (see Proposal 3);

• for approval, on an advisory basis, of the compensation of our named executive officers (see Proposal 4);

• for ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013 (see Proposal 5); and

• for approval of any adjournment of the annual meeting, if necessary or appropriate, to solicit additional proxies in favor of any or all of the foregoing proposals if there are not sufficient votes for those proposals (see Proposal 6).

With respect to any other matter that properly comes before the annual meeting, the proxy holders will vote as recommended by our Board of Directors or, if no recommendation is given, in their own discretion.

What vote is required to approve each item?

Election of Directors (Proposal 1)/Majority Vote Policy. Under our by-laws, directors must be elected by a majority of votes cast in uncontested elections. A majority of the votes cast means that the number of votes cast "for" a director nominee must exceed the number of votes cast "against" that director nominee. In contested elections, the vote standard would be a plurality of votes cast. Under the NYSE rules, brokers do not have discretionary authority to vote shares with respect to the election of director nominees in an uncontested election without direction from the beneficial owner. Abstentions and, if applicable, broker non-votes, are not counted as votes "for" or "against" this proposal. Therefore, a broker non-vote will have no effect in determining whether Proposal 1 has been approved by the stockholders.

Our Corporate Governance Guidelines, which can be found on our website at www.valassis.com, set forth our procedures if, in an uncontested election, a director nominee does not receive a majority of votes cast "for" his or her re-election. As required by our Corporate Governance Guidelines, each nominee for director has tendered an irrevocable resignation that will become effective if he or she fails to receive the required vote in an uncontested election at the annual meeting and our Board of Directors accepts the tendered resignation. Our Corporate Governance/Nominating Committee is required to make recommendations to our Board of Directors with respect to any such resignation. Our Board of Directors is required to take action with respect to this recommendation and disclose its decision regarding whether to accept or reject the director's resignation. Full details of this policy are set forth in our Corporate Governance Guidelines and under "Item 1—Election of Directors."

Approval of the Omnibus Plan (Proposal 2). Under our by-laws, the affirmative vote of the holders of a majority of the votes cast will be required for approval of the Omnibus Plan, meaning the votes cast "for" must exceed the votes cast "against." In addition, because we are a NYSE-listed company, the total votes cast on this proposal must represent greater than 50% of the voting power of the total outstanding shares of stock entitled to vote, which we refer to as the "outstanding votes." Votes "for" and "against" and abstentions count as votes cast, while broker non-votes do not count as votes cast, but count as outstanding votes. Thus, the total sum of votes "for," plus votes "against," plus abstentions, which we refer to as the "NYSE votes cast," must be greater than 50% of the total outstanding votes. Further, the number of votes "for" the proposal must be greater than 50% of the NYSE votes cast. Thus, abstentions have the same effect as a vote against the proposal. Under the NYSE rules, brokers do not have discretionary authority to vote shares with respect to this proposal without direction from the beneficial owner. Thus, broker non-votes could impair our ability to satisfy the requirement that the NYSE votes cast represent over 50% of the outstanding votes.

Approval of the Bonus Plan (Proposal 3). Under our by-laws, the affirmative vote of the holders of a majority of the votes cast will be required for approval of the Bonus Plan, meaning the votes cast "for" must exceed the votes cast "against" this proposal. Under the NYSE rules, brokers do not have discretionary authority to vote shares with respect to this proposal without direction from the beneficial owner. Abstentions and, if applicable, broker non-votes, are not counted as votes "for" or "against" this proposal. Therefore, a broker non-vote will have no effect in determining whether

Proposal 3 has been approved by the stockholders.

3

Say-on-Pay (Proposal 4). Our Board of Directors is seeking a non-binding advisory vote regarding the compensation of our named executive officers. The vote is advisory and non-binding in nature but our Board of Directors and Compensation/Stock Option Committee will take into account the outcome of the vote when considering future executive compensation arrangements. The affirmative vote of a majority of the votes cast will be required to approve this proposal, meaning the votes cast “for” must exceed the votes cast “against” this proposal. Under the NYSE rules, brokers do not have discretionary authority to vote shares with respect to this proposal without direction from the beneficial owner. Abstentions and, if applicable, broker non-votes, are not counted as votes “for” or “against” this proposal. Therefore, a broker non-vote will have no effect in determining whether Proposal 4 has been approved by the stockholders.

Ratification of Auditors (Proposal 5). Under our by-laws, the affirmative vote of the holders of a majority of the votes cast will be required for approval, meaning the votes cast “for” must exceed the votes cast “against.” Abstentions are not counted as votes “for” or “against” this proposal.

Approval of Any Adjournment of the Annual Meeting (Proposal 6). Under our by-laws, the affirmative vote of the holders of a majority of the votes cast will be required for approval, meaning the votes cast “for” must exceed the votes cast “against.” Abstentions are not counted as votes “for” or “against” this proposal.

DIRECTORS AND EXECUTIVE OFFICERS

Our Board of Directors is comprised presently of nine directors. Directors who are elected at the 2013 annual meeting, and any directors who are elected after the meeting to fill vacancies and newly created directorships, shall hold office until the next annual meeting of stockholders and until their successors are elected and qualified or until their earlier resignation or removal.

ELECTION OF DIRECTORS (PROPOSAL 1)

Set forth below is certain information with respect to each of our nominees for the office of director and each of our other executive officers. Shares represented by proxies that are duly executed and returned will be voted, unless otherwise specified, in favor of the following nine nominees: Joseph B. Anderson, Jr., Kenneth V. Darish, Robert A. Mason, Robert L. Recchia, Thomas J. Reddin, Alan F. Schultz, Wallace S. Snyder, Luis A. Ubiñas and Ambassador Faith Whittlesey. All of the nominees are currently serving as directors. Since last year's annual meeting, the members of our Board of Directors have changed as follows:

Effective September 30, 2012, Patrick F. Brennan retired from our Board of Directors. Mr. Brennan had been a member of the Board since 1998 and has served as the Chairman of the Board's Compensation/Stock Option Committee. The Board approved a reduction in the size of the Board to nine members upon Mr. Brennan's retirement.

Walter H. Ku, PhD, a director since 2003, died on October 10, 2012. At the time of his death, Dr. Ku was a member of our Compensation/Stock Option Committee and Corporate Governance/Nominating Committee.

Effective November 26, 2012, our Board of Directors, upon recommendation of the Corporate Governance/Nominating Committee, appointed Luis A. Ubiñas as a director, filling the vacancy created by the death of Dr. Ku. In addition, Mr. Ubiñas was appointed to serve on the Compensation/Stock Option Committee and to replace Mr. Snyder as a member of the Corporate Governance/Nominating Committee.

Each nominee for director has consented to serve on our Board of Directors and will be elected by a majority of the votes cast, which means that the number of votes cast "for" a director nominee must exceed the number of votes cast "against" that director nominee. In contested elections (an election in which the number of nominees for director is greater than the number of directors to be elected), the vote standard will be a plurality of votes cast.

In accordance with our Corporate Governance Guidelines, our Board of Directors will nominate for re-election as a director only incumbent directors who have previously delivered to the Company an irrevocable resignation that will become effective if: (1) such nominee does not receive a greater number of votes "for" his or her election than votes "against" at the next meeting of stockholders, and (2) our Board of Directors, in accordance with the procedures summarized below, determines to accept such resignation following the failure to be re-elected at the meeting. In addition, our Board of Directors will fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to our Board of Directors, the same form of resignation.

If an incumbent director fails to receive the required vote for re-election, then, within 90 days following certification of the stockholder vote, our Corporate Governance/Nominating Committee will consider whether to accept the director's resignation and will submit the recommendation for prompt consideration by our Board of Directors, and our Board of Directors will act on our Corporate Governance/Nominating Committee's recommendation. Our Corporate Governance/Nominating Committee and our Board of Directors may consider any factors they deem relevant in deciding whether to accept a director's resignation. Thereafter, our Board of Directors will promptly disclose its decision regarding whether to accept or reject the director's resignation.

Any director who has failed to receive the required vote for re-election shall not participate in our Corporate Governance/Nominating Committee recommendation or Board of Directors' action regarding whether to accept the resignation. If each member of our Corporate Governance/Nominating Committee fails to receive the required vote in favor of his or her election in the same election, then those independent directors who did receive the required vote shall appoint a committee amongst themselves to consider the resignations and recommend to the Board of Directors whether to accept them.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF ALL OF THE NOMINEES NAMED IN THIS PROXY STATEMENT.

Directors

The following paragraphs provide information about each director nominee. The information presented includes information each director has given us about his or her age, all positions he or she holds, his or her principal occupation and business experience for the past five years, and the names of other publicly-held companies of which he or she currently serves as a director or has served as a director during the past five years. In addition to the information presented below regarding each nominee's specific experience, qualifications, attributes and skills that led our Board of Directors to the conclusion that he or she should serve as a director, we also believe that all of our director nominees possess the highest personal and professional ethics, integrity and values. They each have demonstrated business acumen and an ability to exercise sound judgment, and are committed to representing the long-term interests of our stockholders. Finally, we value their significant experience on other public company boards of directors and board committees.

Information about the number of shares of common stock beneficially owned by each director appears below under the heading "Security Ownership of Directors and Management." See also "Certain Relationships and Related Transactions." There are no family relationships among any of our director nominees and executive officers. Joseph B. Anderson, Jr., 70, has served as our director since July 2006. Since 2002, Mr. Anderson has served as the Chairman and Chief Executive Officer of TAG Holdings, LLC, the parent company of a diverse range of businesses in the United States, Korea and China, including the manufacture of automotive parts, plumbing products and assembly and supply chain management services. Prior to joining TAG Holdings, Mr. Anderson was the Chairman and Chief Executive Officer of Chivas Industries, LLC, a manufacturer of products for the automotive industry, from 1994 until 2002. Mr. Anderson began his business career with General Motors in 1979 and in 1990 was appointed as General Director of a GM business. Mr. Anderson currently also serves on the boards of Rite Aid Corporation, Quaker Chemical Corporation, ArvinMeritor, Inc. and NV Energy, Inc. Mr. Anderson's professional and civic affiliations include director of the Original Equipment Suppliers Association, director of the Society of Automotive Engineers Foundation and executive committee member of the National Association of Black Automotive Suppliers. We believe Mr. Anderson's qualifications to sit on our Board of Directors include his CEO experience leading a large, international organization and his service on several additional public company boards.

Kenneth V. Darish, 54, has served as our director since June 2001. From February 2005 until March 2010, he served as the Chief Financial Officer of BBDO Windsor, Ontario, a subsidiary of Omnicom Group, Inc., a global advertising and marketing communications company. From September 2001 until February 2005, he served as the Director of Business Operations of BBDO Detroit, providing operational consulting services to the Creative Director. From September 1984 until July 2001, Mr. Darish served as the Chief Financial Officer and Senior Vice President of FCB Advertising-Detroit, a subsidiary of Interpublic Group of Companies. Mr. Darish is a certified public accountant. We believe Mr. Darish's qualifications to sit on our Board of Directors include his significant financial, advertising and operational experience.

Robert A. Mason, 55, has served as our director since September 2011. Mr. Mason has been our President and Chief Executive Officer since January 2012. Prior to that, he served as Executive Vice President, Sales and Marketing since January 2011. He served as Chief Sales Officer from January 2008 until January 2011. He served as President of ADVO from the consummation of our ADVO acquisition on March 2, 2007 until December 2007. Previously, he served as our Vice President, Retail and Services Sales from 2005 until 2007 and as our Vice President, Targeted Print and Media Solutions from 2002 until 2005. Prior to these roles, Mr. Mason was a successful Account Executive and Director of Sales for us, and has been recognized by us as Sales Person of the Year and Team Player of the Year. Before joining us in 1995, he held a variety of positions within the newspaper and printing industries. We believe Mr. Mason's qualifications to sit on our Board of Directors include his substantial business, operating, leadership and management experience. His extensive knowledge of the media and marketing industry, in general, and our business, in particular, provides crucial insight to our Board of Directors on our strategic planning and operations. As President and Chief Executive Officer, Mr. Mason provides an essential link between management and our Board of Directors on management's business perspectives.

Robert L. Recchia, 56, has been our Executive Vice President, Chief Financial Officer, Treasurer and our director since October 1991. During his tenure, Mr. Recchia has managed various functions at the Company, including

operations, finance, accounting, purchasing and information technology. Mr. Recchia has been with us since 1982. Mr. Recchia is a certified public accountant with audit experience with Deloitte & Touche LLP. We believe Mr. Recchia's qualifications to sit on our Board of Directors include his 30 years of experience in the media and marketing industry, including his 23 years as our Chief Financial Officer, as well as his extensive experience with public and financial accounting matters.

6

Thomas J. Reddin, 52, has served as our director since June 2010. Since June 2009, Mr. Reddin has been the owner and managing partner of Red Dog Ventures, a venture capital and advisory firm for early stage digital companies. From January 2008 until June 2009, Mr. Reddin served as the Chief Executive Officer of Richard Petty Motorsports, a top five NASCAR team that fielded four cars in the Sprint Cup Series. Previously, Mr. Reddin worked at LendingTree.com, an on-line lending exchange, including serving as its Chief Executive Officer from 2005 until 2008. In 1999, he became LendingTree.com's Chief Marketing Officer. Prior to joining LendingTree.com, Mr. Reddin spent 17 years in the consumer packaged goods industry including 12 years at Kraft General Foods in various capacities and five years at Coca-Cola USA, where he ran the Coca-Cola brand as Vice President of Consumer Marketing. Mr. Reddin currently serves on the board of directors of Tanger Factory Outlet Centers, Inc., or Tanger, and Premier Farnell PLC (a company traded on the London Stock Exchange). Mr. Reddin also has served on the board of directors of R.H. Donnelley Corporation (now Dex One Corporation), The Charlotte Housing Trust Fund, the Charlotte Heart Walk and Junior Achievement of the Central Carolinas. He is currently a member of the board of trustees of Queens University of Charlotte. We believe Mr. Reddin's qualifications to sit on our Board of Directors include his vast leadership experience at several large, international organizations, his extensive digital marketing and branding experience and his service on other public company boards.

Alan F. Schultz, 54, has served as our director since December 1995. He is Chairman of our Board of Directors and retired as our President and Chief Executive Officer on December 31, 2011. Mr. Schultz is providing us with consulting services until January 1, 2015 (as described in "Director Compensation for Fiscal Year 2012"). Mr. Schultz was elected Chief Executive Officer and President in June 1998 and appointed Chairman of the Board of Directors in December 1998. He served as our Executive Vice President and Chief Operating Officer from 1996 through 1998 and served as our Executive Vice President of Sales and Marketing from 1992 through 1996. Mr. Schultz has held positions as our Director of Insert Operations and Vice President of the Central Sales Division beginning in 1984. Mr. Schultz is a certified public accountant with audit experience with Deloitte & Touche LLP and currently serves on the Board of Directors of Dex One Corporation. We believe Mr. Schultz's qualifications to sit on our Board of Directors include his extensive experience in the media and marketing industry, 13 years of which were spent as our former President and Chief Executive Officer, as well as his extensive leadership and management experience and service on another publicly-traded company board.