

DUN & BRADSTREET CORP/NW

Form DEF 14A

April 15, 2003

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ o

Check the appropriate box:

- ☐ o Preliminary Proxy Statement
- ☒ x Definitive Proxy Statement
- ☐ o Definitive Additional Materials
- ☐ o Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

THE DUN & BRADSTREET CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ x No fee required.
- ☐ o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

 - (2) Aggregate number of securities to which transaction applies:

 - (3) 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):

 - (4) Proposed maximum aggregate value of transaction:

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- ☐ o Fee paid previously with preliminary materials.
- ☐ o 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.
 - (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

 - (3) Filing Party:

 - (4) Date Filed:

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April 16, 2003

Dear Shareholder:

You are cordially invited to attend the 2003 Annual Meeting of Shareholders of The Dun & Bradstreet Corporation on Thursday, May 22, 2003, at 2:00 p.m. at the Short Hills Hilton, 41 John F. Kennedy Parkway, Short Hills, New Jersey.

The Notice of Annual Meeting and Proxy Statement accompanying this letter describe the business to be acted upon at the meeting. The Annual Report on Form 10-K for the year ended December 31, 2002, is also enclosed.

Your vote is important. Please vote your shares whether or not you plan to attend the meeting. In addition to voting in person or by mail, shareholders of record have the option of voting by telephone or via the Internet. 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 are available to you.

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

Sincerely,

ALLAN Z. LOREN

Chairman and Chief Executive Officer

103 JFK Parkway, Short Hills, NJ 07078-2708

T 973.921.5500 www.dnb.com

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NOTICE OF ANNUAL MEETING

The Annual Meeting of Shareholders of The Dun & Bradstreet Corporation will be held on Thursday, May 22, 2003, at 2:00 p.m. at the Short Hills Hilton, 41 John F. Kennedy Parkway, Short Hills, New Jersey. The purpose of the meeting is to:

1. Elect three Class III directors for a three-year term;
2. Ratify the appointment of independent accountants;
3. Transact such other business as may properly come before the meeting. The Company knows of no other business to be brought before the meeting.

Only shareholders of record at the close of business on April 7, 2003, will be entitled to vote at the meeting.

By Order of the Board of Directors,

DAVID J. LEWINTER

Senior Vice President, General Counsel and Corporate Secretary

Dated: April 16, 2003

103 JFK Parkway, Short Hills, NJ 07078-2708

T 973.921.5500 www.dnb.com

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PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of The Dun & Bradstreet Corporation ("D&B" or the "Company") is soliciting your proxy for use at the Annual Meeting of Shareholders to be held on May 22, 2003. These proxy materials are being mailed to shareholders beginning on or about April 16, 2003. The principal executive offices of D&B are located at 103 JFK Parkway, Short Hills, New Jersey 07078-2708, and the Company's main telephone number is 973.921.5500.

On September 30, 2000, the company then known as The Dun & Bradstreet Corporation ("Old D&B") separated into two publicly traded companies: the new Dun & Bradstreet Corporation (*i.e.*, the company to which this Proxy Statement relates) and Moody's Corporation. The separation of the two companies was accomplished through a tax-free distribution by Old D&B of the shares of Common Stock of the Company (the "Spin-Off"). Old D&B then changed its name to Moody's Corporation. Information included in this Proxy Statement concerning the Company and its management during periods prior to the Spin-Off actually relates to Old D&B and its management.

Annual Meeting Admission

You will need an admission ticket to enter the Annual Meeting. For shareholders of record, an admission ticket is attached to the proxy card sent to you. If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the meeting in person, you may obtain an admission ticket in advance by sending a written request, along with proof of share ownership, such as a bank or brokerage account statement, to the Company's Corporate Secretary at the address noted above. Shareholders who do not have admission tickets will be admitted only following verification of ownership at the door.

Who Can Vote

Shareholders of record at the close of business on April 7, 2003, are eligible to vote at the meeting. As of the close of business on that date, D&B had outstanding 74,521,041 shares of Common Stock.

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 by mailing their signed proxy cards. 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. Specific instructions for shareholders of record who wish to use the telephone or Internet voting procedures are set forth on the enclosed proxy card.

If your shares are held in the name of a bank, broker or other holder of record, you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Certain of these institutions offer telephone and Internet voting.

Revocation of Proxies

A shareholder of record can revoke a proxy at any time before the vote is taken at the meeting by sending written notice of the revocation to the Corporate Secretary of the Company, 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. 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 brought before the meeting and submitted to a vote, all proxies will be voted in accordance with the judgment of the persons voting the proxies.

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Special Voting Procedures for Certain Current and Former Employees

Many current and former employees of the Company have share balances in the D&B Common Stock Fund of the D&B or Moody's Corporation Profit Participation Plan (collectively, the "PPP"). The voting procedures described above do not apply to these share balances. Instead, any proxy given by such an employee or former employee will serve as a voting instruction for the trustee of the PPP, as well as a proxy for any shares registered in that person's own name (including shares acquired under the D&B Employee Stock Purchase Plan or otherwise). To allow sufficient time for voting by the trustee, PPP voting instructions must be received by May 16, 2003. If voting instructions have not been received by that date, the trustee will vote those PPP shares in the same proportion as the respective PPP shares for which it has received instructions, except as otherwise required by law.

Proxy Solicitation

Directors, officers and employees of D&B may solicit proxies on behalf of the Company by communicating with shareholders personally or by telephone, facsimile, e-mail, telegraph or mail. D&B will pay all expenses related to such solicitations of proxies. D&B 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

D&B's by-laws provide that a majority of the shares 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 nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee has not received instructions from the beneficial owner and does not have discretionary voting power for that particular matter. Brokers are permitted by the New York Stock Exchange to vote shares without instructions from the beneficial owners on routine matters such as the election of directors and the ratification of the selection of independent accountants.

Election of directors (Proposal No. 1) shall be determined by a plurality of the voting power present in person or represented by proxy at the meeting (*i.e.*, the nominees receiving the greatest number of votes will be elected). Only shares that are voted in favor of a particular nominee will be counted toward such nominee's achievement of a plurality. Thus, shares present at the meeting that are not voted for a particular nominee, shares present by proxy for which the shareholder properly withholds authority to vote for such nominees, and broker non-votes will not be counted towards such nominee's achievement of a plurality.

Ratification of the selection of independent accountants (Proposal No. 2) shall be determined by the affirmative vote of the majority of the voting power represented at the meeting and entitled to vote on the matter. If a shareholder abstains from voting or directs the shareholder's proxy to abstain from voting on the matter, the shares are considered present at the meeting and entitled to vote on such matter, but since they are not affirmative votes for the matter, they will have the same effect as votes against the matter. On the other hand, shares resulting in broker non-votes are considered present at the meeting but not entitled to vote on such matter and, therefore, have the practical effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

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PROPOSAL NO. 1

ELECTION OF DIRECTORS

The members of the Board of Directors of D&B are classified into three classes, one of which is elected at each Annual Meeting of Shareholders to hold office for a three-year term and until successors of such class are elected and have qualified.

Upon recommendation of the Board Affairs Committee, the Board of Directors has nominated Ms. Sandra E. Peterson, Mr. Michael R. Quinlan and Mr. Frederic V. Salerno for election as Class III Directors at the 2003 Annual Meeting for a three-year term expiring at the 2006 Annual Meeting of Shareholders.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES NAMED ABOVE AS DIRECTORS.

Nominees for Class III Directors holding office for terms expiring at the 2006 Annual Meeting:

Sandra E. Peterson

Senior Vice President of Health Businesses
Medco Health Solutions, Inc.

Sandra E. Peterson, age 44, has served as a director of D&B since September 2002, and is a member of the Board Affairs and Compensation & Benefits Committees. Ms. Peterson has served as senior vice president of health businesses for Medco Health Solutions, Inc. (f.k.a. Merck-Medco Managed Care L.L.C.), a wholly-owned subsidiary of Merck & Co., the nation's leading provider of high-quality, affordable prescription drug care, since April 2001. Prior to that, Ms. Peterson was senior vice president of marketing for Merck-Medco Managed Care L.L.C. from January 1999 to March 2001, and executive vice president of research and development of RJR Nabisco Holdings Group, Inc., from April 1996 to December 1998. Ms. Peterson is also a director of the following public company: Handleman Company.

Michael R. Quinlan

Chairman Emeritus
McDonald's Corporation

Michael R. Quinlan, age 58, has served as a director of D&B since 1989, and is chairman of the Board Affairs Committee and a member of the Compensation & Benefits Committee. Mr. Quinlan is also the presiding director for the regularly scheduled executive sessions of outside directors. Mr. Quinlan served as a director of McDonald's Corporation, a global food service retailer, from 1979 until his retirement in 2002. He was the chairman of the board of directors from March 1990 to May 1999. Mr. Quinlan also served as chief executive officer of McDonald's from March 1987 through July 1998. Mr. Quinlan is also a director of the following public companies: May Department Stores Company and Warren Resources, Inc.

Frederic V. Salerno

Retired Vice Chairman and Chief Financial Officer
Verizon Communications, Inc.

Frederic V. Salerno, age 59, has served as a director of D&B since May 2002, and is a member of the Audit and Board Affairs Committees. Mr. Salerno served as vice chairman of Verizon Communications, Inc., a leading provider of high-growth communications services, from the time the company was formed by the Bell Atlantic/ GTE merger in June 2000 until September 2002, and also served as chief financial officer of Verizon from June 2000 to April 2002. Previously, Mr. Salerno served as vice chairman and chief financial officer of Bell Atlantic from August 1997 to May 2000. He was vice chairman of finance and business development of NYNEX from March 1994 to August 1997, and had previously served as vice chairman of NYNEX and president of worldwide services from March 1991 to March 1994. Mr. Salerno is also a director of the following public companies: Akamai Technologies, Inc., AVNET, Inc., Bear Stearns Companies Inc., Consolidated Edison, Inc. and its wholly-owned subsidiary Consolidated Edison Company of New York, Inc., Lynch Interactive Corporation and Viacom, Inc.

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CONTINUING DIRECTORS

Class I Directors holding office for terms expiring at the 2004 Annual Meeting:

John W. Alden

Retired Vice Chairman
United Parcel Service, Inc.

John W. Alden, age 61, has served as a director of D&B since December 2002, and was elected as a member of the Compensation & Benefits Committee effective February 28, 2003. Mr. Alden served with United Parcel Service, Inc. (UPS), the largest express package carrier in the world, for 35 years. His most recent role was as vice chairman of the board of UPS from 1996 until his retirement in 2000. Mr. Alden is also a director of the following public companies: Barnes Group, Inc. and Silgan Holdings, Inc.

Allan Z. Loren

Chairman and Chief Executive Officer
The Dun & Bradstreet Corporation

Allan Z. Loren, age 64, has served as chairman and chief executive officer of D&B since October 2000, and as a director since May 2000. Mr. Loren also served as president of D&B from October 2000 to April 2002. He previously served as chairman and chief executive officer of the D&B operating company of Old D&B from May 2000 to September 2000. Before joining D&B, Mr. Loren served as executive vice president and chief information officer of the American Express Company from May 1994 to May 2000, and was also a member of that company's Planning and Policy Committee. Before that, he served as president and chief executive officer of Galileo International from January 1991 to May 1994, and worked at Apple Computer from September 1987 to December 1990, starting as chief information officer and later serving as president of Apple Computer U.S.A. Mr. Loren does not serve on the board of any public companies other than D&B.

Victor A. Pelson

Senior Advisor
UBS Warburg LLC

Victor A. Pelson, age 65, has served as a director of D&B since April 1999, and is chairman of the Audit Committee and a member of the Compensation & Benefits Committee. Mr. Pelson has served as senior advisor for UBS Warburg LLC, an investment banking firm, and its predecessors since 1996. He was a director and senior advisor of Dillon Read at its merger in 1997 with SBC Warburg. Mr. Pelson was associated with AT&T from 1959 to 1996. At the time of his retirement from AT&T, Mr. Pelson was chairman of global operations and a member of the board of directors. Mr. Pelson is also a director of the following public companies: Acterna Corporation, Eaton Corporation and United Parcel Service.

Class II Directors holding office for terms expiring at the 2005 Annual Meeting:

Steven W. Alesio

President and Chief Operating Officer
The Dun & Bradstreet Corporation

Mr. Alesio, age 48, was named president and chief operating officer of D&B in May 2002, at which time he was also elected to D&B's board of directors. Prior to that, he served as senior vice president of global marketing, strategy implementation, e-business solutions and Asia-Pacific/Latin America from July 2001 to April 2002, with additional leadership responsibility for data and operations from February 2001 to April 2002. Mr. Alesio also previously served as D&B's senior vice president of marketing, technology, communications and strategy implementation from January 2001 to June 2001. Before joining D&B, Mr. Alesio was with the American Express Company for 19 years, most recently serving as president and general manager of the business services group and as a member of that company's Planning and Policy Committee, a position he held from January 1996 to December 2000. Mr. Alesio is also a director of the following public company: Overture Services, Inc.

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Ronald L. Kuehn, Jr.

Chief Executive Officer and Chairman of the Board
El Paso Corporation

Ronald L. Kuehn, Jr., age 67, has served as a director of D&B since 1996, and is chairman of the Compensation & Benefits Committee and a member of the Audit Committee. Mr. Kuehn was appointed as chief executive officer and chairman of the board of El Paso Corporation, a diversified energy company, on March 12, 2003. He previously served as chairman of the board of directors of El Paso since its merger with Sonat Inc. in October 1999 until December 31, 2000. Prior to that, Mr. Kuehn was chairman, president and chief executive officer of Sonat Inc. from 1986 through October 1999. In addition to serving on the board of El Paso, Mr. Kuehn is also a director of the following public companies: AmSouth Bancorporation and Praxair, Inc.

Naomi O. Seligman

Senior Partner
Ostriker von Simson

Naomi O. Seligman, age 64, has served as a director of D&B since June 1999, and is a member of the Audit and Board Affairs Committees. Ms. Seligman has been a senior partner at Ostriker von Simson, consultants on information technology, since June 1999. Previously, Ms. Seligman served as a co-founder and senior partner of the Research Board, Inc., a private-sector institution sponsored by one hundred CIOs from the largest companies in North America, Europe and Australia outside the computing and communications sectors. Ms. Seligman is also a director of the following public companies: Akamai Technologies, Inc., Martha Stewart Living Omnimedia, Inc., and Sun Microsystems, Inc.

BOARD MEETINGS AND COMMITTEES

The Board of Directors of the Company held 11 meetings in 2002. No director attended fewer than 92% of the aggregate meetings of the Board and of the committees of the Board on which he or she served. The three committees of the Board are the Audit Committee, the Compensation & Benefits Committee and the Board Affairs Committee. All members of these committees are independent (as defined in the New York Stock Exchange listing standards).

The Audit Committee consists of Messrs. Kuehn, Pelson (chairman) and Salerno and Ms. Seligman. The Audit Committee held nine meetings during 2002. As set forth in the charter adopted by the Audit Committee, the Committee's primary function is to assist the Board in the oversight of: 1) the integrity of the financial statements of the Company, 2) the independent auditors' qualifications and independence, 3) the performance of the Company's internal audit function and independent auditors, and 4) the compliance by the Company with legal and regulatory requirements. A copy of the Audit Committee's charter, which was adopted by the Board of Directors, is attached as Appendix A. The Report of the Audit Committee can be found on page 6 of this Proxy Statement.

The Compensation & Benefits Committee consists of Messrs. Kuehn (chairman), Alden, Pelson and Quinlan and Ms. Peterson. The Compensation & Benefits Committee held five meetings during 2002. As set forth in the charter of the Compensation & Benefits Committee, the Committee has the authority to establish, change and revise all compensation arrangements for the chief executive officer and other executive officers of the Company and its subsidiaries. The Committee also initiates the evaluation of the chief executive officer's performance and reviews with the chief executive officer the performance of other executive officers, determines awards under incentive compensation plans and administers the Company's employee benefit plans. The Report of the Compensation & Benefits Committee can be found on pages 10 through 13 of this Proxy Statement.

The Board Affairs Committee consists of Messrs. Quinlan (chairman) and Salerno, and Mss. Peterson and Seligman. The Board Affairs Committee held four meetings in 2002 and nominated the 2003 slate of directors. As set forth in the charter of the Board Affairs Committee, the Committee's primary function is to recommend to the Board criteria regarding qualifications for Board membership and the size and composition

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of the Board, review the qualifications of candidates for Board membership, and recommend candidates to fill Board vacancies. The Committee also reviews the Company's Corporate Governance Principles annually and initiates annual Board effectiveness discussions. Although the Board Affairs Committee has not adopted formal procedures for the submission of shareholders' recommendations for nominees for Board membership, such recommendations may be made by submitting the names in writing to: Michael R. Quinlan, Chairman of the Board Affairs Committee, c/o The Dun & Bradstreet Corporation, 103 JFK Parkway, Short Hills, New Jersey 07078-2708.

Report of the Audit Committee

The membership of the Audit Committee fully complies with all current requirements of law and the rules of the Securities and Exchange Commission and the New York Stock Exchange. The Audit Committee selects the Company's independent auditors. Management has the primary responsibility for the Company's financial reporting process, including its system of internal controls, and for the preparation of consolidated financial statements in compliance with generally accepted accounting principles, applicable laws and regulations. The Company's independent auditors are responsible for expressing an opinion on the conformity of the audited financial statements to generally accepted accounting principles and for ensuring that generally accepted auditing standards are met. The Audit Committee's responsibility is to monitor and review these processes. It is not the Committee's duty or responsibility to conduct auditing or accounting reviews or procedures.

The Company restated its audited financial statements for the fiscal years ended December 31, 2001, 2000 and 1999, its selected financial data for 1998 and 1997, as well as quarterly results for the first three fiscal quarters of 2002. This non-cash restatement was made to correct timing errors in the recognition of some of the revenue associated with 14 of the Company's 200+ products. This restatement reduced the total amount of revenue recognized during the period January 1, 1997, through September 30, 2002, by \$32.3 million, or 0.4% of the revenue reported during that period, and reduced net income for the same period by \$21.5 million, or 1.9%. In connection with the restatement, the Audit Committee held joint and independent discussions with management and the independent auditors regarding the matters that gave rise to the restatement.

Management represented to the Audit Committee that the Company's fiscal 2002 audited financial statements, its restated audited financial statements for fiscal years 1999 through 2001, its selected financial data for 1997 and 1998, and its unaudited financial statements for the quarters ended March 31, June 30 and September 30, 2002, were prepared in accordance with accounting principles generally accepted in the United States, and the Audit Committee has reviewed and discussed these audited financial statements, selected financial data and unaudited quarterly financial statements with management and the independent auditors. The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, the Audit Committee has received from the independent auditors the written disclosures required by Independence Standards Board No. 1 (Independence Discussions with Audit Committees) and discussed with them their independence from the Company and its management. The Audit Committee also considered whether the independent auditors' provision of non-audit services to the Company is compatible with the auditors' independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2002, for filing with the Securities and Exchange Commission.

Audit Committee

Victor A. Pelson, *Chairman*
Ronald L. Kuehn, Jr.
Frederic V. Salerno
Naomi O. Seligman

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The following table shows the number of shares of the Company's Common Stock beneficially owned by each of the directors and director nominees, each of the executive officers named in the Summary Compensation Table on page 14 of this Proxy Statement (the "named executive officers"), and all present directors and executive officers of D&B as a group, on April 7, 2003. The table also shows the names, addresses and share ownership of the only persons known to D&B to be the beneficial owners (the "Owners") of more than 5% of the outstanding Common Stock. This information is based upon information furnished by each such person (or, in the case of the Owners, based upon public filings by such Owners with the Securities and Exchange Commission (the "SEC")). Unless otherwise stated, the indicated persons have sole voting and investment power over the shares listed. Percentages are based upon the number of shares of D&B Common Stock outstanding on April 7, 2003, plus, where applicable, the number of shares that the indicated person or group had a right to acquire within 60 days of such date. The table also sets forth ownership information concerning Stock Units, the value of which is measured by the price of the Company's Common Stock. Stock Units do not confer voting rights and are not considered beneficially owned shares under SEC rules.

Name	Aggregate Number of Shares Beneficially Owned(a)(b)	D&B Stock Units	Percent of Shares Outstanding
John W. Alden	0	1,261	*
Steven W. Alesio	87,238	0	*
Cynthia B. Hamburger	9,984	1,016	*
Ronald D. Klausner(c)	12,484	0	*
Ronald L. Kuehn, Jr.	21,959	12,366	*
Allan Z. Loren	1,444,426	0	1.94%
Sara Mathew	10,450	0	*
Victor A. Pelson	19,901(d)	6,241	*
Sandra E. Peterson	0	1,432	*
Michael R. Quinlan	21,950	9,855	*
Frederic V. Salerno	2,030	2,608	*
Naomi O. Seligman	14,606	2,743	*
All directors and executive officers as a group (21 persons)	1,687,859	38,902	2.32%
Ariel Capital Management, Inc. 200 E. Randolph Drive, Suite 2900 Chicago, Illinois 60601	4,107,648(e)	0	5.51%
Davis Selected Advisers L.P. 2949 East Elvira Road, Suite 101 Tuscon, Arizona 85706	10,438,341(f)	0	14.01%
Harris Associates L.P. and its general partner, Harris Associates Inc. Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	6,357,255(g)	0	8.53%
Harris Associates Investment Trust, 36-3764846 series designated The Oakmark Select Fund Two North LaSalle Street, Suite 500 Chicago, Illinois 60602-3790	4,534,900(h)	0	6.09%
The Governor and Company of the Bank of Ireland, and related entities, as group(i) Lower Baggot Street Dublin 2, Ireland	5,318,277(j)	0	7.14%

* Represents less than 1% of the Company's outstanding Common Stock.

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- (a) Includes shares of restricted Common Stock as follows: Mr. Alesio, 55,350; Ms. Hamburger, 8,690; Mr. Loren, 191,420; Ms. Mathew, 10,170; Mr. Pelson, 349; Ms. Seligman, 349; and group, 286,618.
- (b) Includes the maximum number of shares of Common Stock that may be acquired within 60 days of April 7, 2003, upon the exercise of vested stock options as follows: Mr. Kuehn, 21,232; Mr. Loren, 1,250,000; Mr. Pelson, 16,552; Mr. Quinlan, 21,232; Mr. Salerno, 2,030; Ms. Seligman, 14,052; and group, 1,340,351.
- (c) Mr. Klausner resigned from all positions with the Company effective March 31, 2003.
- (d) Includes 3,000 shares as to which Mr. Pelson has shared voting and shared dispositive power.
- (e) Ariel Capital Management, Inc. (Ariel), filed an amended Schedule 13G with the SEC on February 4, 2003, on behalf of John W. Rogers, Jr. (Mr. Rogers), as chairman and chief executive officer of Ariel. This Schedule 13G reported that Ariel, a registered investment adviser, had sole voting power over 2,993,809 shares and sole dispositive power over 4,056,401 shares. Mr. Rogers disclaims beneficial ownership of all such 4,107,648 shares held by Ariel.
- (f) Davis Selected Advisers L.P. (Davis) filed a Schedule 13G with the SEC on February 19, 2003. This Schedule 13G reported that Davis, a registered investment adviser, had sole voting and dispositive power over 10,438,341 shares.
- (g) Harris Associates L.P. (Harris) and its sole general partner, Harris Associates Inc. (Harris Associates), jointly filed an amended Schedule 13G with the SEC on February 14, 2003. This Schedule 13G shows that Harris, a registered investment adviser, and Harris Associates each had shared voting power over 6,357,255 shares, sole dispositive power over 1,822,355 shares and shared dispositive power over 4,534,900 shares. Included in the shares beneficially owned by Harris and Harris Associates are 4,534,900 shares also reported as beneficially owned by Harris Associates Investment Trust (Harris Trust) (see footnote (h) below). Harris serves as investment adviser to the Harris Trust.
- (h) Harris Trust, 36-3764846 series designated The Oakmark Select Fund (the Fund) filed an amended Schedule 13G with the SEC on February 14, 2003. This Schedule 13G shows that the Fund, an investment company, had shared voting and dispositive power over 4,534,900 shares.
- (i) The address of IBI Interfunding (IBI) is the same as The Governor and Company of the Bank of Ireland (the Bank of Ireland). The address of BancIreland/ First Financial, Inc. (BancIreland) is Junction Marketplace #27, 1011 N. Main Street, White River Junction, VT 05501. The address of BIAM (US) Inc. is Liberty Park #15, 282 Route 101, Amherst, NH 03110. The address of Iridian Asset Management LLC (Iridian), COLE Partners LLC (COLE), Iridian Private Business Value Equity Fund, L.P. (Iridian Private Business), David L. Cohen (Cohen) and Harold J. Levy (Levy) is c/o Iridian Asset Management LLC, 276 Post Road West, Westport, CT 06880-4704.
- (j) The Bank of Ireland, IBI, BancIreland, BIAM (US) Inc., Iridian, COLE, Iridian Private Business, Cohen and Levy jointly filed an amended Schedule 13G with the SEC on February 11, 2003. This Schedule 13G reported that, (i) Iridian, a registered investment adviser, investment adviser for Iridian Private Business and sole member of COLE; BIAM (US) Inc., the controlling member of Iridian; BancIreland, the sole shareholder of BIAM (US) Inc.; IBI, the sole shareholder of BancIreland; and Bank of Ireland, the sole shareholder of IBI, each had shared voting and dispositive power over 5,318,277 shares; (ii) COLE, the sole general partner of Iridian Private Business, and Iridian Private Business each had shared voting and dispositive power over 152,750 shares; and (iii) Cohen and Levy, as joint Chief Investment Officers of Iridian, each had shared voting and dispositive power over 5,566,227 shares. Of the 5,566,227 shares reported to be beneficially owned by each of Cohen and Levy, 247,950 of such shares are held by First Eagle Fund of America (First Eagle), an open-end non-diversified mutual fund, which is a separate series or portfolio of First Eagle Trust, a registered investment company, and may be deemed to be beneficially owned by each of Cohen and Levy by virtue of their ability to exercise voting and dispositive power over shares held by First Eagle. Cohen and Levy disclaim beneficial ownership of the shares held by First Eagle for all other purposes. Cohen and Levy disclaim beneficial ownership of the remaining 5,318,277 shares.

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FINANCIAL PERFORMANCE COMPARISON GRAPH*

SINCE OCTOBER 3, 2000

In accordance with SEC rules, the graph below compares the Company's cumulative total shareholder return against the cumulative total return of the Standard & Poor's MidCap 400 Index and a published industry index starting on October 3, 2000, the date on which the Company's Common Stock commenced regular-way trading on the New York Stock Exchange after the Spin-Off. In the Company's Proxy Statement for the 2002 Annual Shareholders' Meeting, the S&P MidCap Commercial Services Specialized Index was used as the published industry index because it was a subset of the S&P 400 MidCap Index that included companies that provide business-to-business services. S&P discontinued the MidCap Commercial Services Specialized Index as of December 31, 2001, and replaced it with a new index, the S&P MidCap Diversified Commercial Services Specialized Index. This new index also includes companies that provide business-to-business services. Both indexes are shown below.

* Assumes \$100 invested on October 3, 2000, and reinvestment of dividends.

Table of Contents**PROPOSAL NO. 2****RATIFICATION OF APPOINTMENT OF INDEPENDENT ACCOUNTANTS**

The Audit Committee of the Board of Directors of D&B has appointed PricewaterhouseCoopers LLP as independent accountants to audit the consolidated financial statements of the Company for the year 2003. Although shareholder approval of this appointment is not required, the Audit Committee and the Board of Directors believe that submitting the appointment to the shareholders for ratification is a matter of good corporate governance. If the shareholders do not ratify the appointment, the Audit Committee will review its future selection of independent accountants.

PricewaterhouseCoopers LLP acted as independent accountants for the year 2002. In addition to its audit of the Company's consolidated financial statements, PricewaterhouseCoopers LLP also performed statutory audits required by certain international jurisdictions, audited the financial statements of various benefit plans of the Company, and performed certain non-audit services. Fees for these services are described below.

A representative of PricewaterhouseCoopers LLP is expected to be present at the meeting. Such representative will have the opportunity to make a statement, if he or she so desires, and is expected to be available to respond to questions.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP.

Fees Paid to Independent Accountants

The aggregate fees billed to the Company by PricewaterhouseCoopers LLP for the last two fiscal years are as follows:

	Fiscal Year Ended December 31,	
	2002	2001
	(In thousands)	
Audit Fees(1)	\$ 1,975	\$ 1,577
Audit Related Fees(2)	442	1,180
Tax Fees(3)	1,575	830
All Other Fees		
	<hr/>	<hr/>
Total Fees	\$ 3,992	\$ 3,587
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- (1) 2002 includes \$347,000 for work associated with the restatement of the Company's financial statements as described in the Report of the Audit Committee, on page 6 of this Proxy Statement.
- (2) Consists primarily of fees for audit of the Company's employee benefit plans, consultation on financial accounting and reporting standards, and due diligence on acquisitions and dispositions.
- (3) Consists primarily of foreign and domestic tax planning, and structuring and assistance in the preparation and reviews of the Company's foreign income tax returns.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**Report of the Compensation & Benefits Committee**

Overview of Executive Compensation Philosophy and Program

The Compensation & Benefits Committee has responsibility for establishing the compensation of the Company's executive officers, including Allan Z. Loren, its chairman and chief executive officer. The Committee consists entirely of independent, non-employee directors. The Committee meets regularly to

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review and administer the executive compensation program to ensure that it continues to support the Company's Blueprint for Growth strategy.

The Company's 2002 executive compensation program was designed to:

Attract, motivate and retain top leadership by providing a total compensation opportunity that is competitive with the Company's market for executive talent;

Strengthen the relationship between pay and Company performance and the alignment of executive and shareholder interests; and

Reinforce behaviors that are consistent with the Company's strategy to build a "Winning Culture" in order to drive superior execution of its business plan.

To meet these objectives, the 2002 compensation program for executive officers consisted of the following three components:

Base Salaries. In setting the executive officers' base salaries, a variety of factors were considered, including: individual performance, competencies, skills and prior experience; scope of responsibility and accountability within the organization; and pay levels in the compensation comparison group (*i.e.*, a select group of companies in business information and technology services as provided by an independent third-party consulting organization).

Annual Cash Incentives. Through annual cash incentives, a significant portion of total 2002 cash compensation was at risk since payment was based on performance against predetermined annual goals. These goals, or performance measures, were set early in the year by the Committee after a detailed review by the Board of Directors of the 2002 business plan. Minimum, target and maximum levels of performance were established for each performance goal. Under this program, a full bonus is earned for a measure if the target is achieved. Achievement below the target results in a smaller or zero bonus for that measure; achievement above the target yields a larger bonus. No bonus is earned for performance below the minimum level. The performance measures for 2002 were apportioned into two key categories: 70% was apportioned to the financial goals of earnings per share (EPS) and revenue growth; and 30% was apportioned to leadership, which comprises three key components: employee satisfaction (the employee satisfaction index as measured by the Company's Winning Culture Survey, which gauges employee perspectives in a number of important areas such as leadership, strategy and work environment); customer satisfaction (as measured by the Company's Customer Satisfaction Survey); and an individual's overall leadership competency rating.

Payouts under the Company's bonus plan for executive officers and other bonus plan participants are subject to two potential adjustments. The first is the chairman of the board's discretionary adjustment of +/-20% based on individual performance relative to the Company's Leadership Model. The second is the Company Scorecard adjustment, which can increase or decrease the size of the total bonus pool. This adjustment is designed to ensure that the sum of individual bonus payouts reflect overall Company results. The Company Scorecard is based on internal performance measures such as revenue growth, earnings per share, operating income, customer and employee satisfaction, and implementation of the Company's financial flexibility program, as well as qualitative assessments by the Compensation & Benefits Committee of the challenges in the marketplace, including the economy, the Company's performance relative to other companies during 2002 and the Company's performance relative to external guidance to shareholders.

Long-term Incentives. Through the long-term incentive program, over half of the total compensation opportunity provided to executive officers was equity-based (*i.e.*, stock options). This emphasis on equity compensation reflects the Committee's view that there should be a close alignment between executive rewards and shareholder value creation.

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Company Performance

In linking pay to performance, the Committee determined that the most important measure of Company performance for the Company's executive officers is the increase in long-term shareholder value, evidenced through improvements in EPS and core revenue growth, and supported by improvements in customer satisfaction, employee satisfaction and leadership. For other bonus plan participants, the Committee also established goals linked to the Company's Blueprint for Growth strategy that it believed were critical in increasing the longer-term value of the Company to its shareholders, such as operating income. For bonus plan purposes, EPS growth and revenue growth were calculated in the same manner communicated to shareholders in connection with the Company's 2002 EPS and revenue growth guidance given to investors. Namely, revenue growth was calculated before the effects of foreign exchange and excluding the revenue of non-core, divested businesses. EPS growth was calculated before restructuring charges, whether recurring or non-recurring, and certain other items that management does not consider to reflect the Company's underlying business performance. Management refers to these restructuring charges and other items as non-core gains and charges.

In 2002, overall Company results against these various performance measures were as follows:

EPS growth of 26%, which was above the external guidance of 22% to 24%¹;

Revenue growth of 3%, which met the external guidance of 3%²;

Employee satisfaction index as measured by the Winning Culture Survey decreased two percentage points, but was within the range of scores set for target; and

Customer satisfaction as measured by the Company's Customer Satisfaction Survey increased three percentage points, which was below the target set by the Committee.

Based on these results, the net impact of individual chairman's adjustments, and an increase in the bonus pool resulting from the qualitative performance assessments made by the Committee referred to above (see Annual Cash Incentives), total bonus recommendations were made at 98.7% of target opportunities and resulted in the 2002 compensation awards for executive officers shown in the Summary Compensation Table that follows this report.

Compensation of the Chairman and Chief Executive Officer

Total Cash Compensation. Allan Z. Loren, the Company's chairman and chief executive officer, received a salary of \$700,000 in 2002. Mr. Loren had a target annual cash incentive opportunity of 115% of base salary, or \$805,000. Mr. Loren's target annual cash incentive opportunity was apportioned 35% to EPS, 35% to revenue growth, 10% to the results of the Company's Customer Satisfaction Survey, 10% to improvements in the employee satisfaction index as measured by the Company's Winning Culture Survey and 10% to his individual leadership rating. Based on performance against these criteria, and the Company's strong results relative to external guidance in an uncertain and challenging market, Mr. Loren's bonus award was \$975,000, representing 121.1% of his 2002 target annual cash incentive opportunity.

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1. The Company achieved 2002 reported EPS growth of 2%. See Schedule I to this Proxy Statement for a quantitative reconciliation of reported EPS to EPS before non-core gains and charges for the 2002 and 2001 years. See Item 1. Business How We Evaluate Our Performance in the Company's Form 10-K for the year ended December 31, 2002 for a discussion of why the Company uses EPS before non-core gains and charges and why management believes this measure provides useful information to investors.
 2. The Company achieved 2002 total revenue decline of 2%. See Schedule II to this Proxy Statement for a quantitative reconciliation of total revenue to core revenue for the 2002 and 2001 years, as well as the effects of foreign exchange on the 2002 core revenue growth rate. See Item 1. Business How We Evaluate Our Performance in the Company's Form 10-K for the year ended December 31, 2002 for a discussion of why the Company uses core revenue growth before the effects of foreign exchange and why management believes this measure provides useful information to investors.

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Long-term Compensation. Approximately 79% of Mr. Loren's 2002 target total compensation (*i.e.*, base salary plus annual cash incentive opportunity plus the value of longer-term grants) consisted of equity-based awards. A grant to Mr. Loren of 250,000 stock options was approved by the Committee effective December 19, 2001, after consideration of performance and pay positioning versus the Company's compensation comparison group. The Committee considered this option grant to be part of Mr. Loren's 2002 compensation. Mr. Loren did not receive any other equity-based awards during 2002.

Executive Stock Ownership Guidelines

In 2002, the Company adopted stock ownership guidelines whereby executive officers and other members of senior management are expected to acquire over time a minimum amount of Common Stock. These amounts are 100,000 shares for the chairman and chief executive officer (about five times salary), 30,000 shares (about three times average salary) for the Leadership Team (*i.e.*, senior executives who report directly to the chairman and chief executive officer or president and chief operating officer), and 5,000 shares (about one times average salary) for other participants in the program. The establishment of these guidelines is another component of the Company's efforts to link the interests of executives and shareholders.

Tax Deductibility

Section 162(m) of the U.S. Internal Revenue Code limits the deductibility of compensation in excess of \$1 million paid to the Company's chairman and chief executive officer or to any of the Company's four highest-paid other executive officers unless certain specific and detailed criteria are satisfied. The Committee considers the anticipated tax treatment to the Company and its executive officers in its review and establishment of compensation programs and payments, but has determined that it will not necessarily seek to limit compensation to that deductible under Section 162(m).

Compensation & Benefits Committee

Ronald L. Kuehn, Jr., *Chairman*

Victor A. Pelson

Sandra E. Peterson

Michael R. Quinlan

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Summary Compensation Table

Annual Compensation	Long-Term Compensation	
	Awards	Payouts
	Securities	
Other		