

RR Donnelley & Sons Co  
Form DEF 14A  
April 19, 2007  
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**NOTICE & 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

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 Section 240.14a-11(c) or Section 240.14a-12

**R. R. Donnelley & Sons Company**

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(Name of Registrant as Specified In Its Charter)

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

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

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(1) Amount Previously Paid:

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2007

**ANNUAL MEETING OF STOCKHOLDERS**

**Meeting Notice**

**Proxy Statement**

111 South Wacker Drive

Chicago, Illinois 60606-4301

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**2007 ANNUAL MEETING OF STOCKHOLDERS**

# Meeting Notice

**WHERE**

Renaissance Chicago O Hare

Suites Hotel

8500 Bryn Mawr Avenue

Chicago, Illinois 60631

**WHEN**

Thursday, May 24, 2007 at

10:00 a.m. Chicago time

**WHY**

To elect three directors for a three-year term

To vote to ratify the appointment by the Audit Committee of Deloitte & Touche LLP as the Company's independent registered public accounting firm

To vote on an amendment to the Company's Restated Certificate of Incorporation to eliminate the classified board

To vote on an amendment to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote requirement for mergers, consolidations or asset sales

To vote on two stockholder proposals set out in the proxy statement, if such proposals are properly introduced at the meeting

To conduct any other business if properly raised

**RECORD DATE**

The close of business on April 5, 2007

You will find more information on the matters for voting in the proxy statement on the following pages. If you are a stockholder of record, you may vote by mail, by toll-free telephone number, by using the Internet or in person at the meeting.

**Your vote is important! Please sign, date and return the enclosed proxy card in the envelope provided, call the toll-free number or log on to the Internet even if you plan to attend the meeting. You may revoke your proxy at any time before it is voted.**

You will find instructions on how to vote on page 12. Most stockholders vote by proxy and do not attend the meeting in person. However, as long as you were a stockholder on April 5, 2007, you are invited to attend the meeting, or to send a representative. Please note that only persons with an admission ticket or evidence of stock ownership or who are guests of the Company will be admitted to the meeting.

By Order of the Board of Directors

Suzanne S. Bettman

Secretary

April 19, 2007

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**2007 ANNUAL MEETING OF STOCKHOLDERS**

**Proxy Statement**

April 19, 2007

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This proxy statement is issued by RR Donnelley in connection with the 2007 Annual Meeting of Stockholders scheduled for May 24, 2007. This proxy statement and accompanying proxy card are first being mailed to stockholders on or about April 19, 2007.



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# Proposals

## Proposal 1: Election of Directors

The Company's Restated Certificate of Incorporation provides for three classes of directors. Each director serves a three-year term, and the terms of directors in each class expire in rotation. **Proposal 3, however, provides for the amendment of the Company's Restated Certificate of Incorporation to eliminate the classified structure of the board. If Proposal 3 receives the affirmative vote of the holders of at least two-thirds of the Company's outstanding common stock as of the record date, then the terms of all directors, including those elected at this 2007 Annual Meeting, will expire at the 2008 Annual Meeting of Stockholders. Beginning with the 2008 Annual Meeting, all directors would then be elected for one-year terms.** Otherwise, stockholders will vote at this meeting to elect three directors of Class 1, who will each serve a three-year term.

Our nominees for director are:

### Nominees for Directors of Class 1 Terms expiring in 2010

**Thomas J. Quinlan III** Elected chief executive officer designate of the Company in March 2007\*; group president, Global Services of the Company since October 2006; chief financial officer of the Company since April 2006; executive vice president, operations of the Company from February 2004 to October 2006; various capacities at Moore Wallace Incorporated (and its predecessor, Moore Corporation Limited) that included: executive vice president-business integration from May 2003 to February 2004; executive vice president-office of the chief executive from January 2003 until May 2003; and executive vice president and treasurer from December 2000 until December 2002; executive vice president and treasurer of Walter Industries, Inc., a homebuilding industrial conglomerate, in 2000; various positions, including vice president and treasurer, at World Color Press, Inc. from 1994 until 1999.

**Age:** 44

**Oliver R. Sockwell** Former president and chief executive officer of Construction Loan Insurance Corporation (Connie Lee) and its subsidiary, Connie Lee Insurance Company, financial guarantee insurance companies, 1987 to 1997 (retired).

**Directorships:** Liz Claiborne, Inc.

**Age:** 63

**Director since:** 1997

**Stephen M. Wolf** Chairman of board of directors of the Company; chairman of Lehman Brothers Private Equity Advisory Board, July 2005 to present; managing partner of Alpillis, LLC, a private investment Company, April 2003 to present; non-executive chairman of US Airways Group, Inc.\*\*, an air carrier holding Company, and its subsidiary US Airways, Inc., an air carrier, 2003; chairman of US Airways Group, Inc. and US Airways, Inc., 1996 to 2002; chief executive officer of US Airways Group, Inc. and US Airways, Inc., 1996 to 1998 and 2001 to 2002; previously and from 1994, senior advisor in Lazard Frères & Co. LLC, an investment

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banking firm.

**Directorships:** Altria Group, Inc.

**Age:** 65

**Director since:** 1995

\* On March 19, 2007, the Company announced that Mark A. Angelson, chief executive officer and a director, advised the board of his decision to retire from the Company. Mr. Angelson's resignation will take effect later in the spring of 2007, following an orderly transition. The Company also announced that the board has unanimously elected Mr. Quinlan to succeed Mr. Angelson as chief executive officer and director following the orderly transition, as well as to become president of the Company. Mr. Quinlan will succeed Mr. Angelson as a director on the date Mr. Angelson's resignation becomes effective.

\*\* U.S. Airways Group, Inc. filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code on August 11, 2002 and emerged from bankruptcy protection under a plan of reorganization effective March 31, 2003.

The board recommends that stockholders vote for each of our nominees. Only directors that receive more FOR than AGAINST votes will be elected. In the event that an incumbent director is not reelected, the company's Principles of Corporate Governance require that director to promptly tender his or her resignation. The board will accept this resignation unless it determines that the best interests of the Company and its stockholders would not be best served by doing so.

If any nominee does not stand for election, proxies voting for that nominee may be voted for a substitute nominee selected by the board. The board may also choose to reduce the number of directors to be elected at the meeting.

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**Proposal 2: Ratification of Auditors**

Proposal 2 is the ratification of the Audit Committee's appointment of Deloitte & Touche LLP as the independent registered public accounting firm to audit the financial statements of the Company for fiscal year 2007. In the event the stockholders fail to ratify the appointment, the Audit Committee will reconsider this appointment. The Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the Company's and its stockholders' best interests. Representatives of Deloitte & Touche LLP will be present at the meeting. They will be available to respond to your questions and may make a statement if they desire.

The affirmative vote of the holders of a majority of the shares of the Company's common stock present in person or by proxy at the 2007 Annual Meeting and entitled to vote on the ratification of the appointment of Deloitte & Touche LLP as independent registered public accounting firm for 2007 is required to approve the proposal.

**The Board of Directors and the Audit Committee recommend that the stockholders vote FOR the ratification of the appointment of Deloitte & Touche LLP as independent registered public accounting firm for 2007.**

**Proposal 3: Approval of Amendments to the Restated Certificate of Incorporation Eliminating the Classified Structure of the Board of Directors**

A stockholder proposal to declassify the board of directors was included in our 2006 Proxy Statement and received favorable votes from a majority of the outstanding shares of our common stock. Our Corporate Responsibility & Governance Committee and the board have regularly considered the merits of the classified board of directors structure, taking a variety of perspectives into account. While the board believes that the classified board structure has promoted continuity and stability and reinforced a commitment to a long-term point of view, it recognizes the growing sentiment of the Company's stockholders that the annual election of directors would increase the board's accountability to stockholders. In light of corporate governance trends and stockholder sentiment, the board has determined that the classified board structure should be eliminated.

The Company's Restated Certificate of Incorporation (Article SEVENTH) currently provides for the classification of the board into three classes, as nearly equal in number as possible, with members of each class serving three-year terms.

The board has determined that the Restated Certificate of Incorporation should be amended to eliminate this provision and to make certain conforming and other changes as appropriate, including removing the requirement that amending Article SEVENTH requires the affirmative vote of at least two-thirds of the company's outstanding stock, and has unanimously adopted resolutions approving such amendments, declaring their advisability and recommending such amendments to our stockholders.

The Company's By-laws (Article III, Section 3.2) also currently provide for the classification of the board into three classes, as nearly equal in number as possible, with members of each class serving three-year terms. Article III, Section 3.8 of the By-laws also contains provision relating to such classification concerning the filling of director vacancies.

The board has determined to amend the By-laws to eliminate these provisions and to make certain conforming and other changes as appropriate and has unanimously adopted resolutions approving such amendments, contingent upon approval of this proposal by the stockholders.

If the proposed amendments to the Restated Certificate of Incorporation are approved by our stockholders, the classified board structure will be eliminated, the current term of office of each director will end at the 2008 Annual Meeting of Stockholders and all directors will thereafter be elected for one-year terms at each Annual Meeting. In addition, any director chosen to fill a newly created directorship or a vacancy on the board will only hold office until the next Annual Meeting.

**The affirmative vote of the holders of at least two-thirds of the Company's outstanding common stock is required for approval of this proposal. All abstentions and failures to return a proxy card will have the same effect as a vote against this proposal.**

The proposed amendments to the Company's Restated Certificate of Incorporation are set forth in Appendix A to this proxy statement, with deletions indicated by strike-outs and additions indicated by

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underlining. If this proposal is approved by the requisite vote of stockholders as set forth above, a Certificate of Amendment to the Restated Certificate of Incorporation will be filed with the State of Delaware. The amendments to the By-laws described above will become effective at the same time as the Certificate of Amendment.

**The Board of Directors unanimously recommends a vote FOR this proposal.**

**Proposal 4: Approval of Amendments to the Restated Certificate of Incorporation Eliminating the Supermajority Vote Requirement for Mergers, Consolidations or Asset Sales**

The Company's Restated Certificate of Incorporation (Article EIGHTH) currently requires a higher voting standard for stockholder approval of certain transactions than is required by Delaware law. A supermajority vote of two-thirds of all the outstanding shares of stock of each class having voting power is required to approve any sale, lease or exchange of all or substantially all of the Company's property and assets, or to merge or consolidate with another company, except with a company of which at least 90 percent of the outstanding shares of each class of the stock is owned by the Company.

Our Corporate Responsibility & Governance Committee and the board of directors, in their continuing review of corporate governance matters, and after careful consideration, have concluded that it is in the best interests of the Company's stockholders to eliminate this supermajority vote requirement. If the provision is eliminated, the sale, lease or exchange of all or substantially all of the Company's property and assets, or the merger or consolidation of the Company with another company would, pursuant to Delaware law, require an affirmative vote from the holders of a majority of the Company's outstanding stock.

The Company is not proposing this amendment in response to any pending, planned or contemplated transaction.

Supermajority vote provisions are generally intended to encourage a person making an unsolicited bid for a company to negotiate with the board of directors to reach terms that are fair and provide the best results for all stockholders. Without such provisions it may be possible for the holders of a majority of the shares represented at a meeting to take actions that would give them effective control of the Company without negotiating with the board to achieve the best results for other stockholders. While supermajority vote requirements can be beneficial, the board recognizes there are also compelling reasons for having a lower threshold for stockholder votes. The requirement of a supermajority vote can limit the ability of stockholders to effect change by essentially providing a veto to a large minority stockholder or group of stockholders. In addition, a lower threshold for stockholder votes can increase stockholders' ability to effectively participate in corporate governance. The board is committed to principles of corporate democracy and its determination furthers this goal.

**The affirmative vote of the holders of at least two-thirds of the Company's outstanding common stock is required for approval of this proposal. All abstentions and failures to return a proxy card will have the same effect as a vote against this proposal.**

The proposed amendment to the Company's Restated Certificate of Incorporation is set forth in Appendix B to this proxy statement, with deletions indicated by strike-outs and additions indicated by underlining. If this proposal is approved by the requisite vote of stockholders as set forth above, a Certificate of Amendment to the Restated Certificate of Incorporation will be filed with the State of Delaware.

**The Board of Directors unanimously recommends a vote FOR this proposal.**

### **Proposal 5: Stockholder Proposal**

We have been notified that the International Brotherhood of Teamsters General Fund, 25 Louisiana Avenue, N.W., Washington, D.C. 20001, who has provided certification indicating that, as of November 20, 2006, it was the beneficial owner of 90 shares of the Company's common stock and that it intends to maintain such ownership through the date of the 2007 Annual Meeting, expects to introduce and support the following proposal at the 2007 Annual Meeting. Based on the information above, the stockholder proponent owns a total of approximately 0.00004% of the total shares of the Company's common stock outstanding.

**RESOLVED:** The shareholders of R.R. Donnelley & Sons Company (the Company) urge the Board of Directors to adopt and implement a company-wide sustainability policy based on the principles of the United Nations Global Compact (Global



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Compact ), and to prepare an annual report at reasonable cost to shareholders concerning implementation and enforcement of this policy.

**SUPPORTING STATEMENT:** As a global corporation, our Company faces many regulatory regimes and public pressures exposing it to various risks. Managing operations effectively and increasing shareholder value depend on public and governmental goodwill. The Company would benefit from protecting its reputation for good corporate citizenship by adopting and implementing a sustainability policy drawn from the Global Compact principles.

The Global Compact is comprised of ten principles that uphold internationally proclaimed human rights, labor standards, environmental protections and anticorruption standards.

Adopting a policy based on the principles of the Global Compact with an implementation and enforcement mechanism would ensure that our Company is not associated with human rights, environmental and/or corruption violations. This would protect our Company's brand names and relationships with customers and the numerous governments with which it may do business and on whose goodwill its business success partly depends.

The Company faces potentially high risk that it could be associated with workplace human rights violations because of operations in countries where, according to the U.S. Department of State's 2005 Human Rights Report and Amnesty International's 2006 Report, labor and human rights are not adequately protected in law and/or practice. These countries include China and El Salvador, which are locations of some of our Company's major sites.

While our Company has adopted Principles of Ethical Conduct ( Code of Conduct ), the Code of Conducts has failed to incorporate major tenets embodied in the Global Compact, such as prohibiting the use of child labor, which is prevalent in China.

An association with workplace human rights violations could expose the Company to costly and time-consuming litigation. This is a critical issue for our Company because of the \$15 million dollar settlement of a race discrimination case it reached in 2004.

Further, the Occupational Safety and Health Administration is conducting an investigation of a worker who was crushed to death in October 2006 at a facility in Lancaster, Pennsylvania. (Lancaster New Era, 10/16/2006)

Our Company also generates hazardous and non-hazardous waste during operations whose disposal involves risks of high cleanup costs and litigation. We believe, adopting the Global Company will enhance our Company's reputation as a leader in environmental sustainability and improve business confidence, by reducing waste and ensuring compliance with global environmental regulations.

We believe the adoption, implementation and enforcement of a comprehensive policy based on the Global Compact, would improve our Company's reputation in capital markets by bolstering its integrity.

We urge you to vote **FOR** this resolution.

## Position of the Board of Directors

**The Board of Directors recommends that the stockholders support the Board of Directors and vote AGAINST the stockholder proposal.**

The Board of Directors understands and respects investors' interest in good corporate citizenship and social responsibility. The Company has consistently demonstrated its commitment to humane and progressive labor and employment practices, employee and supplier diversity, and safe and environmentally responsible production processes. The Company's Principles of Ethical Business Conduct, posted on our web site, reflect our commitment to do business in accordance with the highest standards of ethical business conduct. The Principles describe the Company's commitments to providing a safe and healthy work environment and to the fair and equitable treatment of all employees and applicants, and prohibit Company employees from engaging in illegal or unethical conduct. Every employee of the Company is expected to follow the guidelines set forth in the Principles.

We strive to continuously improve the Company's safety and environmental performance. The Company does this by ensuring that it has the programs, practices and resources to help it protect employees and visitors and preserve our environment. RR Donnelley has implemented a corporate Environmental, Health & Safety Policy that is designed to strive to create an injury-free workplace, reduce emissions, develop opportunities for recycling and pollution prevention and use energy, water and other resources more efficiently. Early in 2006, we issued our Environmental, Health & Safety Report for 2004 and 2005, which provided a detailed overview of the Company's worldwide efforts and

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practices to achieve the highest safety performance at the lowest environmental impact.

For example, many of the Company's production facilities have been certified with Voluntary Protection Program Star status by the U.S. Occupational Safety and Health Administration. Star certifications, which represent OSHA's highest grants, promote effective worksite safety and health by establishing cooperative relationships between OSHA and facilities that have implemented comprehensive safety and health management systems. The Company facilities that have received these certifications maintain injury and illness rates that are well below the national average for the printing industry.

In addition, all of our United States, China and Canadian production facilities, as well as our Reynosa, Mexico facility, have achieved Forest Stewardship Council chain-of-custody certification status. Forest Stewardship Certification tracks raw material chain-of-custody to assure that paper used in printed products originates from sustainable, legal and verified logging. Certifications are granted only after a rigorous examination of raw material procurement by a third party auditor. The certification demonstrates our commitment to sound environmental practices.

We strongly believe that diversity in the world of business is a high priority. The Company has partnered with a wide variety of organizations, including the Rainbow/PUSH Coalition, the United Negro College Fund, the National Urban League and the Global Summit of Women, in order to support the communities in which it does business. In the workplace, the Company has increased minority and female representation at all levels. We are dedicated to integrating diversity into the policies, practices and processes that govern our relationships with our employees and customers.

In summary, the Company has been and will continue to be a positive force in the communities in which it operates. The Board does not believe that the investment of human and financial resources that would be required to produce the comprehensive and wide-ranging sustainability report requested in this proposal would represent a necessary or prudent use of the shareholders' assets, as the Company's current policies, practices and disclosures already cover many of the items that would be covered by a sustainability report and because the time and effort needed to prepare a comprehensive report is expected to be significant.

The affirmative vote of the holders of a majority of the shares of the Company's common stock present in person or by proxy at the 2007 Annual Meeting and entitled to vote on the stockholder proposal is required to approve it.

**The Board of Directors recommends that the stockholders vote AGAINST the stockholder proposal.**

**Proposal 6: Stockholder Proposal**

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We have been notified that William Steiner, 112 Abbottsford Gate, Piermont, New York 10968, who has provided certification indicating that he is the beneficial owner of 4,350 shares of the Company's common stock and that he intends to maintain such ownership through the date of the 2007 Annual Meeting, expects to introduce and support the following proposal at the 2007 Annual Meeting. Based on the information above, the stockholder proponent owns a total of approximately 0.002% of the total shares of the Company's common stock outstanding.

### 6 Elect Each Director Annually

**RESOLVED:** Comprehensive commitment to adopt annual election of each director. Shareholders request that our Directors take the steps necessary, in the expeditious manner possible, to adopt annual election of each director. This includes using all means in our Board's power such as corresponding special company solicitations and one-on-one management contacts with major stockholders to obtain the vote required for formal adoption of this proposal topic.

This also includes transition from the current staggered system to 100% annual election of each director in one election cycle unless it is absolutely impossible. Also to transition solely through direct action of our board if feasible.

This topic won on 78% support at our 2006 annual meeting. The Council of Institutional Investors [www.cii.org](http://www.cii.org) formally recommends adopting of shareholder proposals winning a majority of the yes and no votes and not stalling for a second 78% or higher vote. At least one proxy advisory service has recommended a no-vote for directors who do not adopt a shareholder proposal after it wins on majority vote.

Arthur Levitt, SEC Chairman, 1993-2001 said: In my view it's best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them.

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It is important to take a step forward and support this one proposal since our 2006 governance standards were not impeccable. For instance in 2006 it was reported (and certain concerns are noted):

The Corporate Library (TCL), <http://www.thecorporatelibrary.com>, an independent investment research firm rated our company;  
D in Overall Board Effectiveness

High Concern in CEO Compensation \$13 million.

High Concern in Accounting

High in Overall Governance Risk Assessment

We had to marshal an impressive 67% shareholder vote to make certain key governance improvement Entrenchment concern.

Cumulative voting was not allowed.

Our management was still protected by a poison pill with a 15% trigger.

We had no shareholder right to call a special meeting or act by written consent.

Additionally:

Mr. Pope was still Chairman of our key Audit Committee and was rated a problem director by TCL because he was on the Chapter 11-tainted Federal-Mogul board.

Two of our directors served on 6 boards each Over-commitment concern.

Mr. Pope

Mr. Johnson

Two directors had 16 or 19 years tenure each Independence concern.

Mr. Johnson

Mr. Thomas

Four of our directors also served on board rate D by Corporate Library:

1. Mr. Pope	Federal-Mogul	D-rated
2. Mr. Johnson	North Fork (NFB)	D-rated
3. Mr. Wolf	Altria (MO)	D-rated
4. Mr. Cummings	Corning (GLW)	D-rated

The above status shows there is room for improvement and reinforces the reason to take one step forward and now vote yes:

**Elect Each Director Annually**

**Yes on 6**

## Position of the Board of Directors

**The Board of Directors recommends that the stockholders support the Board of Directors and vote AGAINST the stockholder proposal.**

This proposal is unnecessary because through proposal 3 in this proxy statement the board is already taking all possible steps to eliminate the classified structure of the board and provide for annual elections for all directors.

In order to declassify the Company's board, the affirmative vote of the holders of at least two-thirds of the Company's outstanding common stock is required to amend the Company's Restated Certificate of Incorporation. The board has determined to include proposal 3 in this proxy statement, and is urging stockholders to vote for proposal 3.

If sufficient stockholders vote for proposal 3, then the Restated Certificate of Incorporation and By-laws will be amended. The terms of all directors, including those elected at this 2007 Annual Meeting, will expire at the 2008 Annual Meeting of Stockholders. Beginning with the 2008 Annual Meeting, all directors will be elected for one-year terms.

Voting for this stockholder proposal, however, will not bring any clarity to the situation and will accomplish none of these things.

The Company is committed to good corporate governance, and has taken other steps recently to become more accountable and responsive to stockholders, including:

the adoption of a majority voting by-law and corporate governance principle;

allowing the Company's stockholder rights plan (poison pill) to expire and the adoption by the Board of Directors of a fiduciary out policy with respect to any future adoption of such a rights plan; and

proposal 4 included in this proxy statement to remove the super-majority voting requirement in connection with certain extraordinary transactions.

The affirmative vote of the holders of a majority of the shares of the Company's common stock present in person or by proxy at the 2007 Annual Meeting and entitled to vote on the stockholder proposal is required to approve it.

**The Board of Directors recommends that the stockholders vote AGAINST the stockholder proposal.**

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# Your Proxy Vote

## Voting Instructions

You are entitled to one vote on each proposal for each share of the Company's common stock that you own as of the record date. Below are instructions on how to vote, as well as information on your rights as a stockholder as they relate to voting. Some of the instructions vary depending on how your stock is held. It's important to follow the instructions that apply to your situation.

**If your shares are registered in your name**, or if you hold your shares as a participant in one of the Company's stock funds through an RR Donnelley or Moore Wallace sponsored 401(k) plan, the Dividend Reinvestment Plan, the RR Donnelley Employee Stock Purchase Plan or the Tax Credit Stock Ownership Plan, you may vote using the enclosed proxy card, by calling the toll-free number listed on your proxy card or by logging on to the website listed on your proxy card and following the simple instructions provided. If you are a participant in one of the Company's stock funds, the Dividend Reinvestment Plan, the RR Donnelley Employee Stock Purchase Plan or the Tax Credit Stock Ownership Plan, any proxy you submit, vote by telephone or over the Internet will be counted as representing these shares as well as any other shares you may own, as long as the shares are all registered in the same name. The telephone and Internet voting procedures are designed to allow you to vote your shares and to confirm that your instructions have been properly recorded consistent with applicable law. Please see your proxy card for specific instructions. Stockholders who wish to vote over the Internet should be aware that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, and that there may be some risk a stockholder's vote might not be properly recorded or counted because of an unanticipated electronic malfunction. Voting by telephone and the Internet will be closed at 1:00 a.m. Central Daylight Time on the date of the 2007 Annual Meeting.

**If your shares are held in street name**, you should give instructions to your broker on how to vote your shares. If you do not provide voting instructions to your broker, your broker has discretion to vote those shares on matters that the New York Stock Exchange

has determined are routine. However, a broker cannot vote shares on non-routine matters without your instructions. This is referred to as a broker non-vote.

**If you plan to attend the meeting and vote in person**, your instructions depend on how your shares are held:

*Shares registered in your name* check the appropriate box on the enclosed proxy card and bring either the admission ticket attached to the proxy card or evidence of your stock ownership with you to the meeting.

*Shares registered in the name of your broker or other nominee* ask your broker to provide you with a broker's proxy card in your name (which will allow you to vote your shares in person at the meeting) and bring evidence of your stock ownership from your broker with you to the meeting.

Remember that attendance at the meeting will be limited to stockholders as of the record date with an admission ticket or evidence of their share ownership and guests of the Company.

**If your shares are registered in your name, you may revoke your proxy** at any time before it is exercised. There are several ways you can do this:

By delivering a written notice of revocation to the Secretary of the Company;

By executing and delivering another proxy that bears a later date;

By voting by telephone at a later time;

By voting over the Internet at a later time; or

By voting in person at the meeting.

**If your shares are held in street name, you must contact your broker to revoke your proxy.**

In tallying the results of the voting, the Company will count all properly executed and unrevoked proxies that have been received in time for the 2007 Annual Meeting. To hold a meeting of stockholders, a quorum of the shares (which is a majority of the shares outstanding and entitled to vote) is required to be represented either in person or by proxy at the meeting. Abstentions and broker non-votes are counted in determining whether a quorum is present for the meeting.

## **Voting Rules**

**When voting to elect directors**, you have three options:

Vote FOR a nominee;

Vote AGAINST a nominee; or

ABSTAIN from voting on a nominee.

In the election of directors, each nominee will be elected by the vote of the majority of votes cast. A majority of votes cast means that the number of votes cast FOR a nominee's election must exceed the



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number of votes cast AGAINST such nominee's election. Each nominee receiving more FOR votes than AGAINST votes will be elected. If you elect to ABSTAIN with respect to a nominee for director, the abstention will not impact the election of such director. In tabulating the voting results for the election of directors, only FOR and AGAINST votes are counted.

Election of directors is considered a routine matter under the New York Stock Exchange Rules, so there will not be any broker non-votes with respect to this matter.

**When voting on any other proposal**, you again have three options:

Vote FOR a given proposal;

Vote AGAINST a given proposal; or

ABSTAIN from voting on a given proposal.

Each matter, other than proposals 3 and 4 with respect to the amendment of the Company's Restated Certificate of Incorporation, requires the affirmative vote of a majority of the shares present at the meeting and entitled to vote on the proposal. Proposals 3 and 4 each require the affirmative vote of the holders of at least two-thirds of the Company's outstanding common stock as of the record date to approve such proposal. If you indicate on your proxy card that you wish to ABSTAIN from voting on a proposal, your shares will not be voted on that proposal. Abstentions are not counted in determining the number of shares voted for or against any proposal, but will be counted as entitled to vote on the proposal. Accordingly, an abstention will have the effect of a vote against the proposal. In addition, with respect to proposals 3 and 4, failure to return a proxy card will have the same effect as a vote against such proposals.

If you hold shares through the RR Donnelley or Moore Wallace 401(k) Stock Fund, the Dividend Reinvestment Plan, the RR Donnelley Employee Stock Purchase Plan or the Tax Credit Stock Ownership Plan and you do not return a proxy card or otherwise give voting instructions for the plan shares, the trustee of your plan will vote your plan shares in the same proportion as shares that were affirmatively voted by other plan participants. The trustee will also vote all shares of company common stock that are not credited to individual participants' accounts, to the extent permitted by law, in the same proportion as shares that were affirmatively voted by participants. To allow sufficient time for the savings plan trustees to tabulate the vote of the plan shares, we must have your proxy voting instructions by midnight, May 21, 2007.

Broker non-votes are not counted in determining the number of shares voted for or against any non-routine proposal and will not be counted as entitled to vote on the proposal. Stockholder proposals opposed by management are considered non-routine matters. Accordingly, broker non-votes will not affect the outcome of proposals 5 and 6. Proposals 3 and 4 require the affirmative vote of the holders of at least two-thirds of the Company's outstanding common stock. Accordingly, broker non-votes will have the same effect as a vote against such proposals. Ratification of the appointment of the independent registered accounting firm is considered a routine matter, so there will not be any broker non-votes with respect to that proposal.

**If you return your proxy card with no votes marked**, your shares will be voted as follows:

FOR the election of all three nominees for director;

FOR the ratification of the Company's auditors;

FOR amendment of the Company's Restated Certificate of Incorporation to eliminate the classified structure of the board;

FOR the amendments to the Company's Restated Certificate of Incorporation to eliminate the supermajority vote requirement for mergers, consolidations or asset sales;

AGAINST the stockholder proposal with respect to the United Nations Global Compact; and

AGAINST the stockholder proposal to eliminate the classified structure of the board.

It is possible for a proxy to indicate that some of the shares represented are not being voted as to certain proposals. This occurs, for example, when a broker is not permitted to vote on a proposal without instructions from the beneficial owner of the stock. In these cases, non-voted shares are considered absent in the tallies for those proposals.

**The Company actively solicits proxy participation.** In addition to this notice by mail, the Company encourages banks, brokers and other custodian nominees and fiduciaries to supply proxy materials to stockholders, and reimburses them for their expenses. However, the Company doesn't reimburse its own employees for soliciting proxies. The Company has hired Morrow & Co. to help solicit proxies, and has agreed to pay them \$6,500 plus out-of-pocket expenses for this service. All costs of this solicitation will be borne by the Company.

**As of the record date, there were 219,077,233 shares of common stock outstanding.** This does not include 23,855,809 shares held in the Company's treasury. Each outstanding share is entitled to one vote on each proposal.

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# Company Information

## About the Continuing Directors

The information below describes the directors who are not standing for election whose terms continue to run after the meeting. Information on directors who are up for election this year is provided earlier under Proposal 1. In accordance with the terms of the combination agreement between the company and Moore Wallace Incorporated ( Moore Wallace ) dated November 8, 2003 (the Combination Agreement ), Messrs. Riordan, Pope and Schipper were appointed to the board effective February 27, 2004. In the following descriptions, director service includes service as a director of the Company, Moore Wallace, Moore Corporation Limited ( Moore ) and Wallace Computer Services, Inc.

Directors of Class 2 Terms expire in 2008

Judith H. Hamilton	Former president and chief executive officer of Classroom Connect Inc., a provider of materials integrating the Internet into the education process, January 1999 to 2002; former president and chief executive officer of FirstFloor Software, an Internet software publisher, April 1996 through July 1998; former chief executive officer of Dataquest, a market research firm for technology, 1992-1996
	<b>Directorships:</b> Artistic Media Partners, Inc.; Market Tools, Inc.
	<b>Age:</b> 62
	<b>Director since:</b> 1995
Michael T. Riordan	Former chairman, president and chief executive officer of Paragon Trade Brands, Inc., a manufacturer of diapers and other absorbent products, from May 2000 to February 2002; former president and chief operating officer of Fort James Corporation from August 1997 to August 1998 and, prior to that, chairman, president and chief executive officer of Fort Howard Corporation.
	<b>Directorships:</b> Potlatch, Inc.
	<b>Age:</b> 56
	<b>Director since:</b> 1999
Bide L. Thomas	Former president of Commonwealth Edison Company, a producer, distributor and seller of electric energy, October 1987 to December 1992 (retired).
	<b>Directorships:</b> Culburton Hospital
	<b>Age:</b> 71
	<b>Director since:</b> 1987

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Company Information

## Directors of Class 3 Terms expire in 2009

Thomas S. Johnson	<p>Retired chairman and chief executive officer of GreenPoint Financial Corp., a bank holding company, and its subsidiary, GreenPoint Bank, a New York chartered savings bank, 1993 to 2004.</p> <p><b>Directorships:</b> Alleghany Corporation; The Phoenix Companies, Inc.; Federal Home Loan Mortgage Corp. (Freddie Mac)</p> <p><b>Age:</b> 66</p>
John C. Pope	<p><b>Director since:</b> 1990</p> <p>Chairman of PFI Group, LLC, a private investment company; Chairman of Waste Management, Inc., a NYSE-listed waste collection and disposal firm, since 2004; chairman of MotivePower Industries, Inc., a NYSE-listed manufacturer and remanufacturer of locomotives and locomotive components, from December 1995 to November 1999; president, chief operating officer and a director of UAL Corporation and United Air Lines from May 1992 to July 1994 and prior thereto, various positions since 1988.</p> <p><b>Directorships:</b> Con-way, Inc.; Dollar Thrifty Automotive Group, Inc.; Federal-Mogul Corporation; Kraft Foods, Inc.; Waste Management, Inc.</p> <p><b>Age:</b> 58</p>
Lionel H. Schipper, C.M.	<p><b>Director since:</b> 1996</p> <p>President, Schipper Enterprises Inc., an investment company, and chairman, Fallbrook Holdings Ltd., a private investment firm, since 1981.</p> <p><b>Directorships:</b> Clairvest Group Inc.; Four Seasons Hotels Inc.</p> <p><b>Age:</b> 74</p>
Norman H. Wesley	<p><b>Director since:</b> 2001</p> <p>Chairman and chief executive officer of Fortune Brands, Inc., a manufacturer of consumer products, December 1999 to present; president and chief operating officer of Fortune Brands, Inc., 1999; chairman and chief executive officer of Fortune Brands, Inc. subsidiaries MasterBrand Industries, Inc., a hardware and home improvement company, and ACCO World Corporation, an office product company, 1997 through 1998; president and chief executive officer of ACCO World Corporation, 1990 to 1997.</p> <p><b>Directorships:</b> Acco Brands; Fortune Brands, Inc.; Pactiv Corporation</p> <p><b>Age:</b> 57</p> <p><b>Director since:</b> 2001</p>

In 2006, the board met 15 times. Each director of the Company during 2006 was present for at least 75% of the total number of meetings of the board and those committees of which the director was a member during the period he or she served as a director.

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Company Information

**The Board's Committees and Their Functions**

The board has three standing committees, whose names and responsibilities are described below. Each committee operates under a written charter that is reviewed annually and is posted on the Company's web site at [www.rrdonnelley.com](http://www.rrdonnelley.com) and a print copy is available upon request.

**Audit Committee** assists the board in its oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the qualifications and independence of the Company's independent registered public accounting firm, (4) the performance of the Company's internal auditing department and the independent registered public accounting firm and (5) the Company's accounting and financial reporting principles and policies and internal controls and procedures. The committee selects, compensates, evaluates and, when appropriate, replaces the Company's independent registered public accounting firm. As required by the Audit Committee Charter, each member of the Audit Committee is independent of the Company, as such term is defined for purposes of the New York Stock Exchange's listing standards and the federal securities laws. The board has determined that each of John C. Pope, chairman of the committee during 2006, and Bide L. Thomas is an audit committee financial expert as such term is defined under the federal securities laws. The board has also determined that the simultaneous service by Mr. Pope on the audit committees of more than three public companies, including the Company, does not impair his ability to serve on the Company's audit committee. The members of the Audit Committee are Messrs. Pope, Riordan, Schipper and Thomas. The committee met 11 times in 2006.

**Corporate Responsibility & Governance Committee** (1) makes recommendations to the board regarding nominees for election to the board and recommend policies governing matters affecting the board, (2) develops and implements governance principles for the Company and the board, (3) conducts the regular review of the performance of the board and its members and (4) oversees the Company's responsibilities to its employees and to the environment. As required by its charter, each member of the Corporate Responsibility & Governance Committee is independent of the Company as such term is defined for purposes of the New York Stock Exchange's listing standards and the federal securities laws. The Corporate Responsibility & Governance Committee is also responsible for recommending director compensation to the board. In 2004, the Corporate Responsibility & Governance Committee engaged Mercer Human Resources Consulting ( Mercer ) to develop a proposal with respect to board compensation that was then reviewed by the Committee. The Corporate Responsibility & Governance Committee then recommended the compensation plan to the Board who adopted the plan, which remains in place today. The members of the Corporate Responsibility & Governance Committee are Ms. Hamilton and Messrs. Cummings, Sockwell and Wesley. The committee met 4 times in 2006.

**Human Resources Committee** (1) establishes the Company's overall compensation strategy, (2) establishes the compensation of the Company's chief executive officer, other senior officers and key management employees and (3) makes recommendations regarding and approves amendments to and terminations of the Company's employee benefit plans. As required by its charter, each member of the Human Resources Committee is independent of the Company, as such term is defined for purposes of the New York Stock Exchange's listing standards and the federal securities laws. Pursuant to its charter, the Human Resources Committee is authorized to obtain advice and assistance from internal or external legal, accounting or other advisors and to retain third-party compensation consultants. To that end, the Human Resources Committee has engaged Mercer as its executive compensation consultant to provide objective analysis, advice and recommendations in connection with the Committee's decision-making process. Management, including the Company's executive officers, develops preliminary recommendations regarding compensation matters with respect to the executive officers other than the Chief Executive Officer for Committee review. The Human Resources Committee then reviews management's preliminary recommendations and makes final compensation decisions. See *Compensation Discussion and Analysis* beginning on page 21 of this proxy statement for further information regarding executive compensation decisions. The members of the Human Resources Committee are Messrs. Cummings, Johnson, Riordan and Schipper. The committee met 4 times in 2006.

**Policy on Attendance at  
Stockholder Meetings**

Directors are expected to attend in person regularly scheduled meetings of stockholders, except when

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Company Information